

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, FEBRUARY 8, 1934

THE WESTERN AND SOUTHERN INDEMNITY COMPANY

POLICYHOLDERS SURPLUS - - - \$1,506,656.98
ALL SECURITIES VALUED AT MARKET DECEMBER 31, 1932

THE WESTERN AND SOUTHERN FIRE INSURANCE COMPANY

POLICYHOLDERS SURPLUS - - - \$493,330.74
ALL SECURITIES VALUED AT MARKET DECEMBER 31, 1932

CHARLES F. WILLIAMS, President

CINCINNATI, OHIO

Address - - William C. Safford, General Manager



RESIDENCE LIABILITY

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THE TRAVELERS

The Travelers Insurance Company

The Travelers Fire Insurance Company

The Travelers Indemnity Company

HARTFORD

CONNECTICUT

UNITED STATES FIRE INSURANCE COMPANY OF NEW YORK ORGANIZED 1824

Statement June 30, 1933

ASSETS

Cash	\$ 1,606,542.80
United States Gov't. Bonds.....	4,970,466.38
Other Bonds and Stocks.....	17,840,416.92
First Mortgages	1,495,181.45
Real Estate	185,346.02
Premiums in course of collection.....	1,371,636.81
Bills Receivable, Not Due.....	162,472.06
Interest Accrued	70,087.87
Other Assets	46,387.76

\$27,748,538.07

LIABILITIES

Unearned Premiums	\$ 9,706,749.61
Losses in Process of Adjustment.....	2,005,685.00
Other Liabilities	391,858.78
*Contingency Reserve	3,675,568.30
Capital	\$2,000,000.00
Net Surplus	9,968,676.38

Surplus to Policyholders..... 11,968,676.38

\$27,748,538.07

THE NORTH RIVER INSURANCE COMPANY OF NEW YORK ORGANIZED 1822

Statement June 30, 1933

ASSETS

Cash	\$ 965,784.13
United States Gov't. Bonds.....	3,706,035.09
Other Bonds and Stocks.....	14,235,802.54
First Mortgages	644,999.00
Real Estate	12,049.36
Premiums in Course of Collection.....	862,449.44
Bills Receivable, Not Due.....	58,124.35
Interest Accrued	41,111.18
Other Assets	21,323.21

\$20,547,678.30

LIABILITIES

Unearned Premiums	\$ 6,190,136.73
Losses in Process of Adjustment.....	1,358,790.00
Other Liabilities	195,601.96
*Contingency Reserve	2,872,253.63
Capital	\$2,000,000.00
Net Surplus	7,930,895.98

Surplus to Policyholders..... 9,930,895.98

\$20,547,678.30

WESTCHESTER FIRE INSURANCE COMPANY OF NEW YORK ORGANIZED 1837

Statement June 30, 1933

ASSETS

Cash	\$ 1,143,805.59
United States Gov't. Bonds.....	1,443,134.93
Other Bonds and Stocks.....	14,529,755.83
First Mortgages	330,110.00
Premiums in course of collection.....	850,294.00
Bills Receivable, Not Due.....	141,771.17
Accrued Interest	108,399.03
Other Assets	22,715.84

\$18,569,986.39

LIABILITIES

Unearned Premiums	\$ 6,528,847.30
Losses in Process of Adjustment.....	1,774,444.00
Other Liabilities	624,946.69
*Contingency Reserve	3,068,488.77
Capital	\$1,000,000.00
Net Surplus	5,573,259.63

Surplus to Policyholders..... 6,573,259.63

\$18,569,986.39

BRITISH AMERICA ASSURANCE COMPANY TORONTO, CANADA INCORPORATED 1833

Statement June 30, 1933

Assets	\$2,478,943.13
Liabilities	1,130,343.63
*Contingency Reserve	264,781.09
Surplus to Policyholders.....	1,083,818.41

* Contingency Reserve represents difference in full between Insurance Department values and actual market values of securities.

ALLEMANNIA FIRE INSURANCE COMPANY PITTSBURGH, PA. ORGANIZED 1868

Statement June 30, 1933

Assets	\$5,210,206.98
Liabilities	1,874,691.51
*Contingency Reserve	554,699.74
Surplus to Policyholders.....	2,780,815.73

WESTERN ASSURANCE COMPANY OF TORONTO, CANADA INCORPORATED 1851

Statement June 30, 1933

Assets	\$4,273,096.94
Liabilities	1,893,398.23
*Contingency Reserve	637,066.59
Surplus to Policyholders.....	1,742,632.12

RICHMOND INSURANCE COMPANY OF NEW YORK ORGANIZED 1907

Statement June 30, 1933

Assets	\$ 4,490,603.46
Liabilities	1,563,699.49
*Contingency Reserve	485,855.50
Surplus to Policyholders.....	2,441,048.47

SOUTHERN FIRE INSURANCE COMPANY OF DURHAM, N. C. INCORPORATED 1923

Statement June 30, 1933

Assets	\$1,203,755.12
Liabilities	405,639.45
†Surplus to Policyholders.....	798,115.67

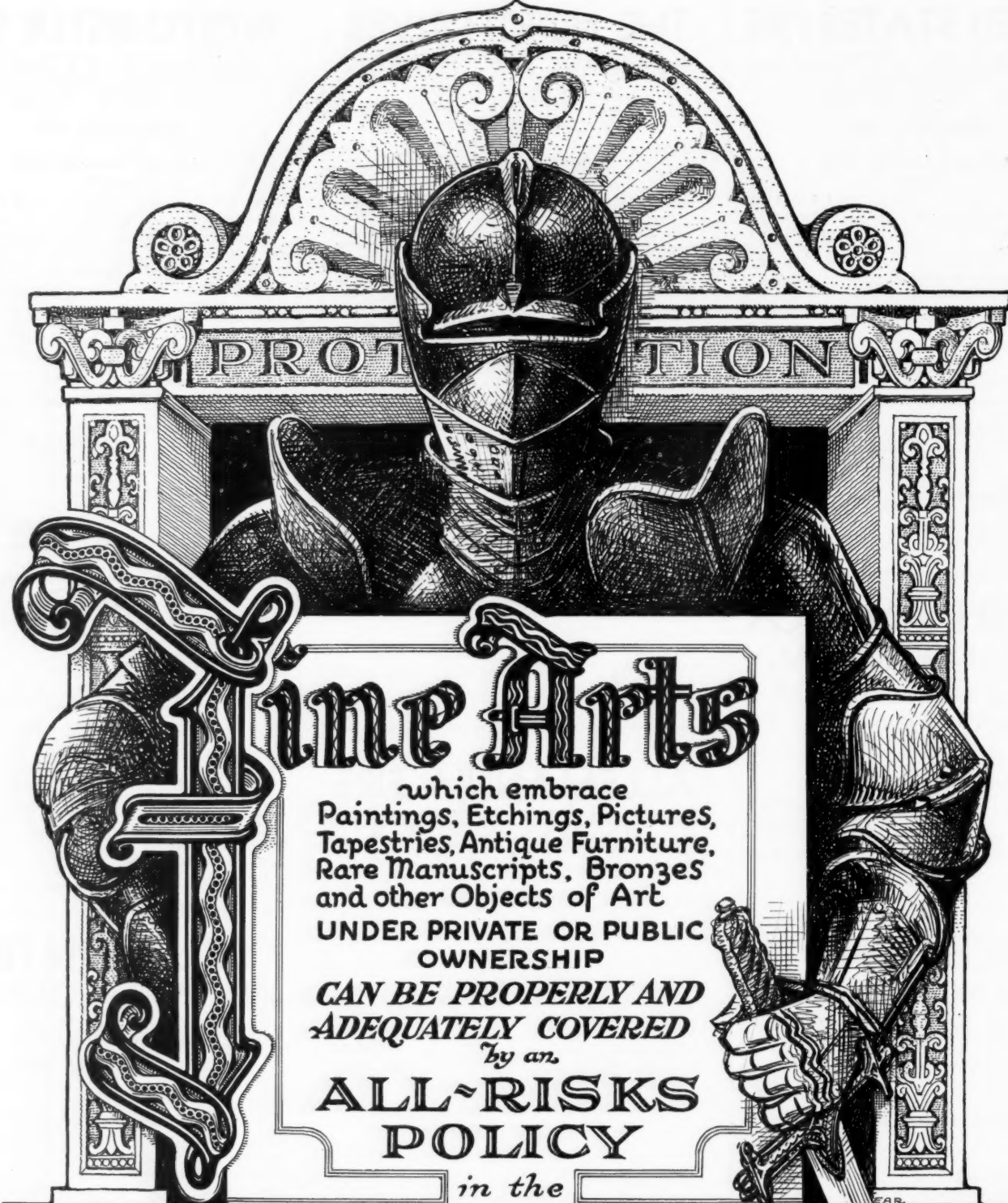
†Market value of securities exceed convention value by \$21,885.64. Actual Surplus to Policyholders is \$819,981.11.

CRUM & FORSTER MANAGERS

110 WILLIAM ST.

NEW YORK CITY

Western Dept.
FREEPORT, ILL.Southern Dept.
ATLANTA, GA.Pacific Dept.
SAN FRANCISCO, CAL.Carolinas Dept.
DURHAM, N. C.Allegheny Dept.
PITTSBURGH, PA.



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 and other Objects of Art
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 ADEQUATELY COVERED
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 123 WILLIAM STREET, NEW YORK, NEW YORK

CHICAGO, ILL.
 175 WEST JACKSON BOULEVARD

PACIFIC DEPARTMENT
 315 MONTGOMERY STREET, SAN FRANCISCO, CALIFORNIA

CLEVELAND, OHIO
 UNION TRUST BUILDING

SOUTHERN DEPARTMENT
 10 PRYOR STREET, S. W., ATLANTA, GEORGIA

LOS ANGELES, CALIFORNIA
 634 S. SPRING STREET

The National Underwriter

Thirty-Eighth Year—No. 6

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, FEBRUARY 8, 1934

\$4.00 Per Year, 20 Cents a Copy

Statements Show Great Similarity

Reduction of Assets, Reinsurance Reserves, Advance in Surplus Commonly Experienced

PREMIUM DROP A FACTOR

Amounts Set Aside as Contingency Reserves by Fire Companies Are Generally Lower

NEW YORK, Feb. 7.—As the annual statements of fire companies make their appearance from day to day, almost without exception they tell the same story, decreases in total assets and reinsurance reserves, and gains in the surplus accounts. Such a result was generally anticipated. It was known approximately the extent to which premiums and losses had decreased.

Shrinkage in premiums estimated as 12 percent on the average accounted in part for the drop in losses. However, there were other causes, such as the exercise of unusual care by fire underwriters in surveying their business, and the caution shown by many assureds in safeguarding their properties against fire in 1933.

Premiums Affect Assets

The shrinkage in premium volume will account in large measure for the drop in total assets revealed in the statements. The increase in net surplus accounts is due in substantial degree to reduced reserves for unearned premiums, chargeable in good part to the expiration of term risks, for which reserves had been carried under both three and five year covers.

As a rule the amounts set aside as contingency reserve this year are less than those maintained in 1933, not that there has been any appreciable increase in market value of securities, but rather as a result of decreased reserves necessary to be maintained.

Lesson Is Well Learned

Had the upswing in the stock market that has been so pronounced since Jan. 1, started a month earlier, the need for setting up a contingent reserve to equal stock quotations as of the last day of the year would have been eliminated for many companies. However, it is safe to say that regardless of department recommendations or rulings, companies almost without exception would have maintained such a reserve.

They have come to see in the last four years the wisdom of making special provision for meeting unlooked for happenings, either in their banking or underwriting departments. The lessons learned in connection with the investment feature of the business since the debacle of 1929 are not likely to be forgotten, at least by the present generation of company executives.

Eye Mail Order Insurance

If Sears, Roebuck's Venture in Life and A. & H. Field Proves Successful, Competitors Will Have Problem

The entrance into the life and health and accident insurance business of Sears, Roebuck & Co., through the instrumentality of the Hercules Life, will be watched intently by insurance men in all departments. There is much speculation as to the production procedure which Sears, Roebuck will adopt and what its success is likely to be.

If Sears, Roebuck & Co. undertakes to operate principally by mail and makes a success of it, that will be the first time a life insurance company has ever made headway with that system. The Postal Life of New York has not succeeded through the mail route. The interesting volume "Down the Years," by Dr. Ward of the Mutual Benefit Life, recalls that the Mutual Life of New York, after its organization in 1843, started to operate exclusively through newspaper advertising and publicity, but abandoned this practice for the agency system very shortly.

In Auto Insurance Field

Sears, Roebuck & Co. created a stir in fire and casualty circles about two years ago when it formed the Allstate and later the Allstate Fire to write automobile insurance. This company operates exclusively by mail. Very little has been heard of these companies, however, in a competitive way. Much of their business consists of insurance on the cars of Sears, Roebuck employees and although the companies have made progress, they have not proved to be big contenders.

So far as life insurance is concerned, the theory, to date, has proved true that the stimulus of the individual salesman is needed. Practically every one recognizes the worth of life insurance, but very few are impelled to buy it without being prodded to the utmost.

Sears, Roebuck may find that life insurance differs from automobile tires, axe handles and other items in the catalogue, the desire for which and the cost appeal of which arise simultaneously with the immediate need for them.

Enjoys Great Prestige

Of course, Sears, Roebuck has in its favor enormous prestige and reputation. That prestige has not been sufficient to cause an overwhelming demand for its automobile insurance, but there is a factor to be taken into consideration that the cost of insurance in the Allstate companies is, as a matter of fact, higher than much of the insurance which is offered to those in rural communities. The Allstate companies have been writing automobile insurance at about 20 percent off tariff, but there are plenty of companies specializing in the farm field which write at lower rates than that.

So far, the management of Sears, Roebuck & Co. has not given any real indication of what its sales procedure is to be. Perhaps they are not altogether sure themselves. They state that life insurance will be included as an item in the catalogue. Former agents of the National Life, U. S. A., which the Hercules Life has taken over, are being

offered the opportunity to join the Hercules and help conserve the business.

Life insurance agents and their organizations have refrained from getting up in arms because Sears, Roebuck has entered the arena. There was a certain amount of resentment at first, merely on the assumption that Sears, Roebuck would be a disturber, because in all of its operations it has gone its own way and the assumption was that it would pursue a unique course in life insurance. However, Sears, Roebuck & Co. has not yet shown its hand and until it does prove unfriendly to the institution of the agent and challenges his place in the sun, the producing forces will probably keep their peace.

If Sears, Roebuck & Co. decides to proceed in the traditional manner, there seems to be no reason why it should be the subject of attack.

Seemingly, the unfortunate policyholders of the National Life, U. S. A., obtained as good terms as possible under the Hercules Life reinsurance contract. Some observers feel that the contract is exceptionally liberal. Therefore, there is no basis for criticism on the grounds that policyholders are not protected as well as they might be under the circumstances. If the contract proves even more liberal than Sears, Roebuck anticipated, the mail order house must, however, stand back of the contract to the limit. It could not afford to fail in the trusteeship which it has assumed.

If Sears, Roebuck & Co. does make a success of its insurance venture and creates a mail order demand for insurance, a big problem will be created for competing companies and their agents. Other mail order houses and possibly big retail institutions may decide to enter the insurance field as a matter of self protection, if their clients demand that service.

Would Bar Unlicensed Companies from Mails

COLUMBIA, S. C., Feb. 7.—A resolution memorializing Congress to enact such legislation as would prevent unlicensed companies from using the mails in doing business in this state has been passed by both houses of the state legislature and forwarded to Washington.

The resolution was adopted in almost record breaking time, having been introduced in the senate and passed the first day of the legislative session and adopted by the senate the following day.

The legislative action was based on a recommendation made by Commissioner Sam B. King in his annual report in which he said unlicensed companies were yearly becoming more active in this state.

Combine Is Formed Against the Code

Mortgage, Finance, Building and Loan, Real Estate People Get Together

HOLD CHICAGO MEETING

Join Hands to Combat Filing—Some Participants Feel Code Will Never Come to Hearing

NEW YORK, Feb. 7.—At the call of Commissioner M. L. Brown, of Massachusetts, chairman of the executive committee of the National Convention of Insurance Commissioners, a meeting of the committee will be held at the department office here Feb. 9. Consideration will be given to the possible effect the adoption by the NRA of the proposed agents' code of fair practice or any other code that might be filed by insurance interests would have on existing laws. A possible conflict between federal and state authorities is feared should the sovereign powers of the latter be infringed upon by the national government under code provisions.

The insurance code question, insofar as it would affect the operations of mortgage, finance, real estate, and building and loan institutions was pondered Tuesday morning in Chicago by a group, called together by the Mortgage Bankers Association of America. Secretary Patterson of the Mortgage Bankers Association was in charge. The National Association of Finance Companies was represented by Secretary C. C. Hanch. Among the others on hand were Orville Davies, representing the General Motors Acceptance Corporation.

A number of men identified with insurance attended merely as observers. They included J. H. Doyle, general counsel of the National Board; Local Agent Bowersox of St. Louis; George R. Bowman of R. A. Napier & Co. agency of Chicago, and J. J. Brummel of the Brummel Bros. agency, Chicago.

Hostility Is Expressed

Those participating in the meeting all expressed hostility to the insurance agents' code and each agreed to bulletin the membership of his organization as to the situation. Belief was expressed by some of those in attendance that the insurance code would be quietly sidetracked and would never come to a hearing. However, if a hearing should be called, the various members agreed to have representatives appear and combat the proposition to the utmost. The joint committee decided to function more or less continuously while the code question is alive and to keep abreast of developments.

This group, representing the finance (CONTINUED ON PAGE 39)

Better Management Urged by Sullivan

Washington Commissioner Discusses Weaknesses Brought Out by Company Failures

EXPLOITERS CONDEMNED

Interlocking Directorates and Financial Inbreeding Responsible for Many Evils—Standard Laws Needed

SAN FRANCISCO, Feb. 7.—Insurance is firmly entrenched and is fast returning to fundamentals and is in better shape to cope successfully with adverse conditions than it has ever been, Commissioner W. A. Sullivan of Washington stated in his talk to the Fire Underwriters of the Pacific here. "The events of the past few years have emphasized the need and value of proper underwriting; have forced anew the conclusion that since premiums cannot properly be looked upon as the source of funds for speculation, and losses a necessary evil, an operating profit is still a necessity for financial health," said Commissioner Sullivan.

Mr. Sullivan has helped officiate at the demise of several companies within the past year. "These failures," he said, "have been the subject of the most intense study and thought on the part of insurance men the nation over. None of these failures can be attributed wholly to the depression, nor can they be held to indicate the structural weakness of insurance. Disaster did not come by accident. Each could easily be traced to gross mismanagement—to failure to observe the common principles of the business, such practices in numerous cases having extended over many years."

Hits Interlocking Directorates

From his contacts with the companies Commissioner Sullivan has arrived at a number of conclusions. One of these, he said, was that "the control of insurance finances and insurance management should be left primarily to insurance men." "Recent revelations," he said, "have cast serious doubt upon the desirability of the interlocking directorate, through which the policies of the company may be influenced by strong members of the board of directors, holding similar positions with banks, brokerage houses, real estate companies and others who might profit through control of insurance funds. Many instances have come to light where, in an endeavor to save a doomed institution, insurance funds have been knowingly deposited in failing banks, resulting either in total loss or in the freezing of large amounts of cash. Sometimes those on the outside in favored banks and brokerage houses have reaped a rich profit through their financial transactions with the controlled company. Instances of actual juggling of funds have occurred. Every business which involves the presence of large sums of money is bound to excite the interest of professional promoters and stock manipulators. Insurance has been cursed with its quota of this clan. Starting with funds supplied out of syndicates and investment trusts, they have been able to gain control of some small company, and then, by using the resources of that company, and by pyramid operations, extend their power to others. Once entrenched, they have been able to loot their companies through control of investments, or to

(CONTINUED ON PAGE 13)

To Speak in Pittsburgh



OTHO E. LANE



WILLIAM QUAID

Two of the speakers on the insurance day program of the Insurance Club of Pittsburgh, Feb. 19, are Otho E. Lane, president of the Fire Association, and William Quaid, vice-president of the Southern Fire. Mr. Lane will speak on "Fire Insurance Protection," and Mr. Quaid on "The Sale of Fire Insurance."

Sun Officials Visit the Coast

Will Decide as to the Future of the Department Following Carl Henry's Death

SAN FRANCISCO, Feb. 7.—For the purpose of rearrangement of the company's Pacific coast department H. W. Stokes, assistant to the general manager of the Sun of London, arrived in San Francisco Tuesday. Mr. Stokes was accompanied by John F. Stafford of Chicago, manager western department. Other officials are expected to reach San Francisco soon to come to some agreement regarding the future of the office established and maintained for many years by the late Carl A. Henry. No information as to what plans are contemplated is available.

Aetna's Western Conference

The western department of the Aetna Fire and the World Fire & Marine and Century Indemnity is holding a field conference in Chicago this week. Attending the meeting from the head office

Mountain Losses Are Lower

Division of Fire Companies Adjustment Bureau Reports \$560,000 Less Than 1932 Figure

DENVER, Feb. 7.—Loss to insurance adjusted in 1933 by the mountain division of the Fire Companies' Adjustment Bureau amounted to \$1,282,456, or \$560,000 less than the 1932 figure, according to a report by Manager George Webster.

The bureau's average charge per loss was \$37.29, which is \$1.57 more than the average charge in 1932. The total charge is composed of adjusting expense of \$10.31, legal expense \$5.81 and service charge \$21.17. While there were 3,053 losses adjusted by the mountain division in 1932, the total last year was only 2,554. Liability was denied entirely on 318 claims totalling \$38,911.

are President W. R. McCain, Vice-President J. M. Waller, Marine Secretary G. G. Quirk and Vice-President F. G. Bush of the Century Indemnity.

Factory Mutuals' Fire Loss Down

Diminution in Active Industrial Hazards, Drop in Value Credited

DECLINE IS 27 PERCENT

Improvement in Fire Losses, However, Was More Than Offset by Wind and U. & O. Losses

Because of the speculation as to reasons for the great decline in fire losses in 1933, the experience of the Factory Mutuals is interesting. The combined fire losses of that group last year amounted to \$913,400, as compared with \$1,247,800 the year before. That is a drop of nearly 27 percent.

The factory mutual companies encounter a minimum of moral hazard. Their dealings are exclusively with manufacturers of the best type and there is a close control over the risk. Therefore, the substantial reduction in fire losses among the factory mutuals is not attributable to diminution of moral hazard.

Active Industrial Hazard

The principal cause of improvement, factory mutual people believe, was the reduction in the active industrial hazard that seems to develop when plants are operating at capacity. When the machinery is humming and the orders are piling in, the manufacturer seems to become careless as to the fire hazard and the danger of fire being started from flying sparks is greater. Last year many plants were idle or operating only to a limited extent, and therefore, the industrial hazard was greatly minimized. Another factor, of course, was the reduction in values.

Although the fire losses of the factory mutuals declined substantially, the total losses in 1933 were greater than in 1932. This is due principally to heavy windstorm losses. In 1933, the factory mutuals paid wind losses more than twice as great as in 1932. The use and occupancy losses were substantially greater and there was a slight increase in sprinkler leakage losses.

American of Newark Shows Surplus Increase of \$1,226,220

The American of Newark in its annual statement shows assets \$27,768,967. Its federal bonds are \$2,429,679, railway and other bonds and stocks \$15,804,140, bonds and mortgages \$1,750,771, real estate \$4,650,000, cash \$1,327,914, premium reserve \$12,993,359, contingency reserve \$2,414,377, capital \$3,343,740, special reserve \$300,000, net surplus \$5,282,937. The surplus is figured on market quotations. The surplus increased \$1,226,220, consisting of a balance of \$698,802 after deducting certain reserves from the \$912,330 underwriting profit; a balance of \$241,401 from the interest and rents earned after deducting \$668,758 dividends and \$286,017 balance out of \$354,017 investment profit and loss and adjustment, quoted market values after setting aside \$68,000 reserve for depreciation on its home office building.

J. P. Starr of Canton, Mo., has purchased the H. B. Robinson & Co. agency, Marshall, Mo. He is the son of Fourth P. Starr, prominent local agent at Canton. The elder Starr gained his unusual name by reason of the fact that he was the fourth child and was born July 4.

THE WEEK IN INSURANCE

Mortgage, finance, real estate and building and loan people organize to fight agents code. Page 3

Great similarity found in fire company statements, with reduction of assets, reinsurance and contingency reserves and advance in surplus. Page 3

Much interest in entry of Sear, Roebuck & Co. into life and accident-health insurance. Page 3

Commissioner Sullivan of Washington discusses company finances and management. Page 4

Modified loss payment rule meets general approval. Page 5

Inland marine situation reviewed by G. L. West, Hartford Fire. Page 5

Fire Underwriters of the Pacific hold annual meeting. C. E. Allan elected president. Page 6

Bill is introduced in Kentucky legislature to transfer control of the insurance department from the state auditor to the governor. Page 5

Factory mutuals report fire losses lower, windstorm and use and occupancy up. Page 4

Fiftieth anniversary dinner will be tendered Western Manager C. R. Street of the Great American, Feb. 20. Page 5

Insurance Commissioner C. F. Armstrong of Pennsylvania is dead. Page 8

All officers of the Interstate Underwriters Board were reelected at the annual meeting of the governing committee. Page 5

Important conferences are being held in New York this week on the workmen's compensation question. Page 29

Recent regulations of Illinois Commerce Commission for truck transportation and motor bus lines are found to be obscure. Page 30

Boiler and machinery rate reductions effective April 1 announced by National Casualty Bureau. Page 29

Mortgage refunding plan of Maryland Casualty and U. S. F. & G. becomes operative. R. P. C. buys \$7,500,000 preferred stock of Maryland. Page 29

Future of Inland Marine Is Viewed

G. L. West of Hartford Fire Sees Need for Broader Coverage

FLEXIBLE FORMS NEEDED

New Setup Eliminates Difficulties but Regulations Will Not Suffice for All Time

SAN FRANCISCO, Feb. 7.—Regulations affecting inland marine insurance and the causes which brought about such regulations were discussed in detail by G. L. West, superintendent of the marine department of the Hartford Fire, at the Fire Underwriters of the Pacific meeting. Inland marine being the "youngest member of the insurance family," said Mr. West, "has made its mistakes and has been the subject of a great deal of criticism, warranted and otherwise. Having more or less a free hand, its activities spread to such an extent it soon became apparent that some form of regulation was necessary." He traced the steps leading to the formation of the Inland Marine Underwriters Association and the "nation-wide definition," giving in detail the present regulations of inland marine insurance. Three factors govern the activities of inland marine today: The nation-wide definition, the joint committee to interpret this definition, and the Inland Marine Underwriters Association to provide forms and rates on classes coming within the definition. These regulations should, without question, eliminate most, if not all, of the past difficulties.

Distinction May Be Too Fine

"There is," Mr. West said, "a possibility that we have drawn too fine a line and have not made sufficient allowances for future contingencies. It is not reasonable to expect that these regulations will suffice for all times. Changing conditions and further demands of the insurance-buying public will have to be given consideration."

"We are faced with a rather serious situation at the present time in connection with certain classes of insurance which marine companies are now prohibited from writing. There has been a definite need created for these classes and, unless some provision is made to furnish protection along the same general lines, this business will seek outside markets."

"The rapid growth and success of inland marine insurance is largely due to the fact that people are becoming more and more insurance-conscious and are seeking policies written along comprehensive lines. Some attempts have been made to meet this situation but, on the whole, they have not been sufficient and it is a significant fact that the insurance business in general has not kept abreast of present demands."

Confined to Classes

"Fire, casualty and marine underwriters are writing certain forms of combination covers, but in most cases these are confined to classes of protection coming within their respective branches of insurance and can only be used in connection with certain kinds of risks. Present conditions require flexible contracts in which can be included fire, casualty and marine coverages, as the particular case may warrant."

"It is not improbable that we will be

(CONTINUED ON PAGE 13)

Kentucky Bill Would Give Governor Insurance Power

RIPPER MEASURE INTRODUCED

Laffoon Sponsors the Move to Transfer Insurance Department Control From State Auditor

LOUISVILLE, Feb. 7.—A "ripper" bill now before the Kentucky legislature would shift the insurance department from the supervision of the state auditor to that of the governor, giving the latter the patronage of this important office, and throwing it more directly into politics.

For some time there has been bad feeling between State Auditor Talbott and Governor Laffoon, due largely to the fact that Talbott is the son-in-law of Ben Johnson, chairman of the state highway commission.

A "ripper" bill in 1932 took the highway commission out of the hands of the governor, and gave Ben Johnson control of the highway organization.

Control of Legislature

Now the governor, with a stronger control of the legislature than he has ever had, is seeking to take control of the insurance department and the department of fire prevention and rates.

Some weeks ago an advisory committee offered suggestions for reorganization of state departments, which would have placed all insurance departments under the banking commission, but the suggestions were radically revamped in the bill, which has been introduced.

Under the present laws the auditor is elected, and has the power of naming the insurance commissioner.

Under the new law, as proposed, the governor would name the insurance commissioner, who would be paid the increased salary of \$5,000 and the deputy commissioner who would be paid \$4,200. The deputy commissioner of securities in Louisville would be abolished, and duties turned over to the state treasurer.

If the bill should pass Commissioner Senff would undoubtedly be replaced.

Qualification Bills in N. J.

NEWARK, Feb. 7.—Agents' and brokers' qualification bills have been introduced in the New Jersey legislature. This makes the fourth attempt to have the bills passed, but it is felt among the insurance fraternity that the measures will receive more consideration this session than before. They will be discussed at the coming meeting of the New Jersey Association of Underwriters at Trenton Feb. 21.

Again Chairman



PAUL B. SOMMERS

Paul B. Sommers, vice-president of the American of Newark, has been re-elected chairman of the governing committee of the Interstate Underwriters Board; Harold Warner, manager Royal-L. & L. & G. groups, vice-chairman; B. M. Culver, president America Fore, treasurer.

The governing committee that elects the officers is composed of Harold V. Smith, president Eastern Underwriters Association, J. C. Harding, chairman governing committee, Western Underwriters Association, E. T. Cairns, president Pacific Board, R. B. Barnett, Atlanta, president Southeastern Underwriters Association, and 12 members appointed by the president of the E. U. A., they being: R. M. Bissell, G. G. Bulkley, B. M. Culver, Esmond Ewing, R. R. Martin, W. R. McCain, J. L. Parsons, Benjamin Rush, C. F. Shallcross, P. B. Sommers, Alfred Stinson and Harold Warner.

J. R. Dumont is manager of the I. U. B.; J. B. Sirich, assistant manager; T. D. McCarl, assistant secretary, and C. Bellden Sly, secretary governing committee.

Cole Takes Birmingham Post

E. M. Cole has been appointed assistant manager of the Birmingham, Ala., branch of the Fire Companies Adjustment Bureau, of which J. M. Lawrence is manager.

Modified 30-Day Rule Satisfactory

New Net Waiting Period Is Not Considered a Hardship to Assured

VIEW LOSS SETTLEMENTS

Moral Hazard Not Increased as Companies Can Still Delay Suspicious Fire Claims

NEW YORK, Feb. 7.—General satisfaction is expressed by company executives and agents over the modification of the loss payment deferment rule to 30 days on claims exceeding \$500. As it takes nearly two weeks properly to handle a claim, the additional time for waiting will not be a hardship on the assured.

As the liberalized rule became operative Feb. 1, companies were unusually busy that day mailing out checks on claims that had been held under losses previously adjusted, but which could not be paid within the 60-day limit.

The fear expressed in certain quarters that abrogation or even substantial modification of the "60-day rule" would increase moral hazard, and induce payment of claims without sufficient time having been allowed for their complete investigation, is felt by the majority to be groundless. The companies still have the right to hold up any suspicious case until all circumstances surrounding it have been thoroughly studied.

Little Complaint Heard

Little complaint is heard here as to pressure being put on companies for the settlement of large claims by agents or brokers, except in one prominent New England city. For years agents of this city have insisted that adjustments be made by persons designated by them, rather than by those selected by the interested companies. While this condition is of long standing and has been sharply commented upon by company officials at their gatherings, no concerted effort has yet been put forth by executives to check it. Agents in some smaller cities are still given to insisting upon naming the adjuster who must handle losses for their particular agencies, the result being that in many instances assureds are generously dealt with at the expense of the companies.

Need Managerial Attention

Well conducted companies insist that honest losses be settled promptly and fully but in too many companies the loss paying division has not received managerial attention to anything like the degree given the business production branch. As a consequence agents have been encouraged to tell their companies who must be employed to settle claims, and adjusters so chosen would be less than human if they did not err on the side of liberality in a desire to please the agent and his client. In the minds of some company executives the time is at hand when a right-about in the matter should be agreed upon, and all claim handling be done by adjusters selected by the head office and under direction of its loss chief, whose sole concern would be to see that the assured is paid only the amount to which he is fairly entitled under his insurance coverage. If such change in practice were enforced, it is believed that a marked reduction in the aggregate loss payments would be realized.

Golden Anniversary

THE insurance friends and associates of C. R. Street, vice-president and western manager of the Great American group in Chicago, are arranging to tender him a testimonial dinner at the Mid-Day Club in that city the evening of Feb. 20. That date marks his entrance into the fire insurance business in Chicago. On Feb. 20, 1884, he arrived in the city from Meridian, Miss., where his father, the late H. M. Street, was secretary and manager of the Merchants Fire. The committee on arrangements consist of W. P. Robertson, North America, chairman; C. F. Thomas, Western Underwriters Association, secretary; H. A. Clark, Firemen's; J. C. Harding, Springfield; A. F. Powrie,

Fire Association; S. W. Tripp, Western Factory, and C. M. Cartwright, THE NATIONAL UNDERWRITER. The invitations are being sent out this week to personal friends of Mr. Street, who have been brought in contact with him from time to time during his half century of insurance experience. He has served the business with great distinction and has been of constructive service to it. Therefore, the desire to pay him tribute is spontaneous and sincere. President John M. Thomas of the National Union Fire, who formerly was a Phenix of Brooklyn field man and who later served as assistant manager of the Fidelity Phenix when Mr. Street was manager, will be master of ceremonies at the banquet.

Pacific Coast Men at San Francisco

Discuss Coverage in Special Fields

R. T. Williams of Aetna Fire Views Beet Sugar Industry

MINING HAZARDS TOLD

Forms of Insurance on Hops Explained by J. C. Hitt, London Assurance Special Agent

SAN FRANCISCO, Feb. 7.—Educational talks presented at the annual meeting of the Fire Underwriters of the Pacific here included discussions of the insurance coverage and fire hazards in the mining, hop and sugar beet industries.

R. T. Williams, special agent Aetna Fire, discussed the insurance on beet sugar refineries in Utah and Idaho. Most sugar warehouse fires in other than sprinklered buildings, unless the fire is brought under control at the source, are disastrous due to large values. These losses could be greatly reduced if warehouses were constructed in several sections, rather than in large areas with a capacity of 100,000 to 175,000 sacks. It would be comparatively simple and inexpensive to provide masonry fire walls across the warehouse every 25 feet or so, even in existing buildings, with openings protected by double fire doors.

Limit Fire Hazard

Regardless of the cause of fires in stacked sugar, Mr. Williams said the most practical method of reducing the losses would be to limit the amount of sugar subject to one fire. "Present rating schedules appear to take slight recognition of this point. Recommendations relating to storage methods have been repeatedly made to sugar companies but these have generally been given slight consideration, and the unsprinklered warehouse of large area is still the rule. As long as practically the same fire insurance rates apply on the contents of an unsprinklered warehouse containing 160,000 sacks of sugar in one fire area as would apply if the same warehouse were divided into eight sections, each with a capacity of 20,000 bags, it can be assumed that no fire divisions will be installed. It would appear that rating schedules should be revised so as to force the division of unsprinklered sugar warehouses into relatively small fire sections."

INSURANCE ON HOPS

Insurance coverage on hops was discussed by J. C. Hitt, Oregon special agent London Assurance. In Oregon 52 percent of the hops raised in the United States are produced. The several types of forms in use in covering hops were explained together with the duties imposed upon the assured. "In view of the additional coverage afforded by the consequential damage assumption clause," Mr. Hitt said, "many growers insure their hop crop from a week to a month in advance of picking and drying time, so that in the event their kilns

(CONTINUED ON PAGE 27)

Presiding Officer Over Coast Field Convention



D. A. McKINLEY

D. A. McKinley of Seattle, special agent of the Royal group and past most loyal grand gander of the Blue Goose, presided this week in San Francisco over the annual convention of the Pacific Fire Underwriters Association.

More Conscientious Study of Farm Risks Is Stressed

SAN FRANCISCO, Feb. 7.—Sincere and conscientious effort in selection and inspection of unprotected risks on the part of agent and fieldman will result in an acceptable loss ratio said E. W. Porep, superintendent of agents of the North America in speaking before the Fire Underwriters of the Pacific. The establishment of a farm and unprotected inspection bureau by the Pacific Board "will never solve the poor loss record of the unprotected risks," he said. Such a system, he said, does away with two most vital factors (1) education of the agent, and (2) personal contact of the company (by the fieldman) with the agent as well as with the individual risk.

There is a misconception as regards the desirability of owner hazard as compared with tenant hazard said Mr. Porep. In many instances tenant occupancy is more preferable to that of the owner. In 15 states the loss ratio over a period of five years averaged 104 percent on owner-occupied dwellings, while the loss ratio for the same states and periods on tenant-occupied dwellings was only 92.79 percent. Barns and outbuildings with owner occupancy produced a loss ratio of 84.26 percent with tenant-occupied barns and outbuildings the loss ratio was 60.31 percent.

As regards merit rating, Mr. Porep said: "It is my belief that a merit rating schedule for unprotected risks does not eliminate moral hazard appreciably, nor does it do away with the necessity of personal inspections by fieldmen."

"It is my belief," he said, "that the success of writing unprotected risks is dependent on two factors (1) moral hazard, and (2) inspections." The determination of moral hazard is the function of the local agent. "The indifferent agent is the one that is giving us our losses," said Mr. Porep. "Inspections by really qualified field men are also important, particularly regarding utility values, as his outside viewpoint is not limited by local perspective."

General Coverage Forms and Competition Are Considered

ELMORE STRESSES SERVICE

C. L. King of Crum & Forster Discusses Various Forms of Provisional Insurance at Pacific Meet

SAN FRANCISCO, Feb. 7.—Provisional insurance has met a demand and served a strong purpose, particularly in meeting competition and in effecting a coverage needed by certain business men, according to C. L. King, assistant San Francisco manager Crum & Forster group, in discussing this type of coverage before the annual meeting of the Fire Underwriters Association of the Pacific.

The minimum premium requirement is discouraging the sale of contracts to the small merchant, Mr. King said. "Practically all reporting forms contain a full reporting clause or 'honesty clause' the purpose of which is to penalize the insured for inadequate statements. It simply continues the co-insurance principle and has a definite place in the contract. No underwriter will waive average on a multiple location risk and no underwriter can safely waive this requirement."

Drawn on Excess Basis

"There is some confusion of thought on the provisions of various forms particularly as to the requirements surrounding specific insurance. The forms in general use are drawn upon an excess basis, so as to attach and to pay losses in excess of the amount due the insured under policies of specific insurance after application of the average clause or other restrictive clauses in the specific policies. The loss does not have to exceed the total face amount of the specific insurance before the provisional policy can be called for payment. Obviously, the specific insurance should be written subject to the 100 percent average clause under these conditions. In this manner the provisional policy is very liberal to the insured and probably much more so than if the policies both provisional and specific, were written upon a contributing basis. This is particularly true in event of non-concurrencies developing between the

(CONTINUED ON PAGE 27)

Education of Field Men Stressed by Kirschner

SAN FRANCISCO, Feb. 7.—Necessity for the education of company field men in the fundamentals of salesmanship was stressed by H. H. Kirschner in his discussion of "Insurance Selling and Advertising" at the Fire Underwriters of the Pacific meeting here. "The nearer a fieldman can become to being an oracle on how to produce premiums," said Mr. Kirschner, "the greater respect will the local agent have for him. The day of the order-taker is over. To get the new business which will be available will tax the productive activity and resourcefulness of all alike. New premiums there will be, not for the taking, but for the go-getting."

Insurance advertising, he said, is a means to an end—that end being premium production. Special agents should be fully acquainted with their company's advertising so that "this productive force is usefully employed." Intelligent use of company literature and publications is imperative.

C. E. Allan Elected President for 1934

Barsotti Is Vice-President and Mariner Is Reelected Secretary-Treasurer

McKINLEY IN REVIEW

Retiring President Tells of Recognition of Cooperation in Dark Days—Banquet Brilliant

By A. V. BOWYER

SAN FRANCISCO, Feb. 7.—C. E. Allan of Goodwin & Allan, San Francisco, was elected president of the Fire Underwriters Association of the Pacific at its 58th annual meeting here. Mr. Allan served as vice-president the past year. C. L. Barsotti, assistant Pacific Coast manager of the Fire Association, was elected vice-president. H. B. Mariner was reelected secretary-treasurer and the following executive committee named: D. A. McKinley, past president, special agent Royal, Seattle, chairman; C. E. Allan, C. A. Colvin, Pacific Coast manager of the Providence Washington and Boston; G. V. Lawry, superintendent fire underwriting department Travelers Fire, and William Deans of Selbach & Deans.

Depression Developments

In his presidential report D. A. McKinley illustrated the progress that has been made during the past four years in the fire insurance business by pointing to practical developments of the "depression years." Among the accomplishments are the Fire Companies Adjustment Bureau, the Inland Marine Underwriters Association, the Pacific Factory Insurance Association and the Insurance Executives Association. Some of these were stimulated and speeded by economic conditions of the past four years, and thus these conditions have actually accomplished a great deal of good for the institution of fire insurance as a whole. Another force for good that has been stimulated and developed, said Mr. McKinley, is the closer contact and cooperation between the agents and companies in the working out of common problems.

Banquet Is Brilliant

The gathering concluded with a banquet which exceeded many of those of former years by its brilliance. A. J. Cleary, chief administrative officer of the city and county of San Francisco, gave an optimistic talk. He challenged the association members to go back into their respective fields and meet the obstacles of the day with the spirit of the well-armed and well-protected crusader. Prof. George Dowrie of Stanford University presented a sound argument for conservative optimism. The glee club of the San Francisco Blue Goose provided entertainment.

Commissioners Present

Present during the sessions and as honor guests at the banquet, in addition to Commissioner E. Forrest Mitchell of California were Commissioners William A. Sullivan, Washington; E. A. Smith, Jr., Utah; John J. Holmes, Montana; Warren H. Bakes, Idaho, and Ed C. Peterson, Nevada.

Automobile Business Growth Is Challenge to Insurance

MANY CARS ARE UNINSURED

Fireman's Fund Man Stresses Opportunity at Meeting of Pacific Fire Underwriters Group

SAN FRANCISCO, Feb. 7.—The tremendous growth of the automobile industry during the past few years and the resourcefulness of that industry to create its own opportunities were traced by K. M. Brown, superintendent city automobile department Fireman's Fund, at the annual meeting of the Fire Underwriters Association of the Pacific here. "Are we insurance men," he asked, "equally qualified and equally disposed to meet the opportunity in the business of automobile insurance, which is coming to us with the surging return of prosperity to the automobile industry? No company, field man, local agent or broker can overlook the automobile business today without ignoring one of the best opportunities that exist in the field of insurance." It is estimated that 60 percent of all automobile owners in California are operating their cars without insurance. The most fertile field is in the rural and agricultural sections.

Business Must Be Sold

Automobile insurance must be sold, said Mr. Brown. It will not respond to the application of any other methods. While it might be possible for an agent through church, social or fraternal affiliations to write a satisfactory amount of fire business, this does not hold true with automobile forms. "Automobile business will neither prosper nor grow in the office of a company whose automobile underwriting is handled in the spare time of a largely indifferent member of the fire underwriting staff." He recommended that the automobile functions of the National Automobile Underwriters' Association and the National Bureau of Casualty & Surety Underwriters be combined in one board. "Our companies have deservedly and triumphantly won public recognition for the excellence of 'board' fire insurance. On the other hand, that same public is giving an all too large proportion of its automobile insurance to sub-standard carriers. When we heal the wound in our own automobile company organization, by founding a unified board of automobile underwriters, on that day the automobile business of our companies will come fully into its own. This business is big enough and important enough to present a united front to its competitors."

Organization Important in Insurance Field, Says Mann

SAN FRANCISCO, Feb. 7.—Progress of the insurance business in the United States has been materially aided by the fact that the business itself has always been well organized, according to H. N. Mann, president Insurance Agents League of Washington, speaking on "Necessity of Organization for Harmony in Our Business" before the Fire Underwriters Association of the Pacific meeting here. "In glancing over the long list of organizations erected within the insurance business, it is obvious," he said, "even to the layman that the industry is rapidly becoming trade-association minded, if it has not already arrived at that point. In fact, so completely are we sold on organization generally, that the non-affiliate is regarded by many as being an unwelcome outsider whom we must tolerate as a frequent source of extreme annoyance. Perhaps this attitude is occasioned by the fact that almost with-

out exception, each group is founded upon the principles of fair competition in the business, and dedicated to the ideals of harmony within the industry and uniformity in business practice. As evidence of the value of organizations, Mr. Mann referred to the outstanding ones in the field, telling of their accomplishments.

Can't Ignore Difficulties

SAN FRANCISCO, Feb. 7.—Referring back to the days of 1929 and the mental attitude of that period which seemed to be the "false opinion that difficulties, if properly ignored, would cure

themselves," Hugh Coburn, special agent of the Home of New York, in addressing the Fire Underwriters Association of the Pacific meeting pointed to the lessons of the past four years. "Serious difficulties are no longer an individual matter," he said, "nor do they cure themselves without some real thought and effort on our part."

Hits Municipal Default Bill

The United States Chamber of Commerce has submitted a statement to a sub-committee of the senate judiciary committee, opposing pending legislation to provide for the handling of municipal

defaults by the federal bankruptcy court. The objection was raised that enactment of the municipal insolvency bill would impair the credit of solvent communities that are continuing to meet their obligations and tax delinquencies would be increased. The American Life Convention and the National Fraternal Congress among other organizations have also opposed this legislation.

Schoppe Goes to New York

W. W. Schoppe, Pacific coast manager National Theft Bureau and most loyal gander of the San Francisco Blue Goose, left Tuesday for New York to attend the annual meeting of the bureau.

COMPANY'S STRENGTH

clinches sales for agents



"WE are proud to represent a company with such unusual financial strength. More people are inquiring as to the financial strength of companies than ever before. The company's comparative strength is a good talking point at present."—SMITHFIELD, PA., LOCAL AGENT.

"WE like the financial position of your company under present conditions. We are more deeply interested in the financial strength of the companies we represent, and are certainly proud to present your statement to any inquiring client."—MARION, OHIO, LOCAL AGENT.

CLINCH SALES by presenting to your clients Millers National's financial statement—point out

- (1) Assets are in cash and bonds—only \$500 is in stocks.
- (2) Every \$100 of liability is backed with \$164 in assets.

- (3) In comparative strength with 250 of the largest fire companies, Millers National ranks 30th—one of the strongest.

Your clients will appreciate the quality of the company's liquid, diversified investment portfolio. It is their warranty that in the event of loss "goods will be delivered."

Send for a copy of the latest financial statement—it's yours without obligation.

1865



1934

MILLERS NATIONAL INSURANCE COMPANY • CHICAGO

One of the Strongest in Business

National Union Fire Insurance Company

Financial Statement

DECEMBER 31, 1933

ASSETS

Bonds (at Market Value Dec. 31st)	\$ 5,659,580.00
Stocks (at Market Value Dec. 31st)	2,460,053.47
Real Estate	1,166,547.13
First Mortgage Loans	846,481.81
Cash	849,300.73
Premiums in Course of Collection, Not Over 90 Days Due	864,191.72
Accrued Interest	132,540.91
Other Ledger Assets	180,149.69

Total Admitted Assets \$12,158,845.46

LIABILITIES

Reserve for Losses	\$ 940,604.16
Reserve for Unearned Premiums	6,116,880.52
Reserve for Taxes	222,500.00
Reserve for Other Liabilities	506,561.43
Capital	\$1,100,000.00
Surplus	3,272,299.35

Surplus to Policyholders 4,372,299.35

\$12,158,845.46

Increase in Net Surplus for the Year 1933

\$1,441,778.43—78.9%

Home Office:
Pittsburgh, Pa.

New York
85 Maiden Lane

San Francisco
340 Pine Street

A GOOD AGENCY COMPANY

Pennsylvania Department Head Since 1931 Dies



C. F. ARMSTRONG

C. F. Armstrong, 68, insurance commissioner of Pennsylvania since Jan. 20, 1931, died at Harrisburg Sunday. He had been confined to his home for several months. Mr. Armstrong's health began to fail shortly after becoming a member of Governor Pinchot's cabinet three years ago. He continued to supervise the work of his department from his bedside up to a few days before his death.

He was for many years in the banking business in Pennsylvania and served five terms in the legislature. He was named postmaster of Leechburg, Pa., his home town, in 1927 and resigned in 1930 to become a candidate for lieutenant governor on the Republican ticket.

With the election that year of Governor Pinchot he was placed in charge of the insurance department.

During his illness the department has been in charge of C. F. Graff, deputy commissioner. He will continue in that capacity until the place is filled by Governor Pinchot, who has been ill in a New York hospital since early December.

Helms Goes With Tokio

J. D. Helms of Atlanta, who formerly traveled for the National Liberty, is now located in Chicago handling executive special agency work for the Tokio and Standard of New York in all territory west of that city. The Standard has just entered Iowa and Mr. Helms will look after that field.

Bar Adjuster for Insured

QUEBEC, Feb. 7.—Legislation to eliminate the adjuster for the insured is proposed in a bill pushed by R. F. Stockwell, provincial treasurer, in the legislature here. The bill would add a new section to the Quebec insurance act as follows:

"In the adjustment of all insurance claims, no person acting on behalf of either the insurer or the insured, or the latter's transferee, may make an agreement whereby such person may receive as remuneration a proportion or percentage whatsoever of the amount of the indemnity, or a remuneration of such a nature as to give such person any personal interest in the determination of the amount of said indemnity; and every such agreement, express or implied, shall be null."

Secretary Giles on Florida Trip

H. M. Giles, secretary of the Millers National of Chicago, is making a two weeks agency trip through Florida accompanied by George E. Sparrow, Florida examiner, and H. E. Murphy, Florida state agent.

Many of Lines Lost by New Rulings Are Good Riddance

NEW YORK, Feb. 7.—The nationwide marine definitions being promulgated by the joint committee on interpretation and complaint have a distinct appeal from the viewpoint of many marine underwriters. Much of the borderline insurance that was being written under marine forms was coverage that the marine companies were not in the least anxious to write but felt it wise to do because of pressure and the threat that other and desirable business would be taken away.

The new rulings—and presumably many of those to follow—are taking care of this situation very nicely. If the joint committee says "No," that is the end of it. There is no need to take business at a rate at which it is practically impossible to make money just to keep the rest of the broker's or assured's business from going to somebody who will write it at such a rate. Occasionally, of course, the rulings may take away a line which was genuinely desirable to marine underwriters, but a great deal of the business lost is considered good riddance.

Among the new rulings just issued is one prohibiting insurance under marine forms of gasoline pumps erected at service stations. Another rule deals with drawings or etchings, not possessing the qualities of fine arts, sent from others to publishers' premises and while being assembled on publishers' premises in transit to engraver or lithographer, while in process at engravers' or lithographers' premises, thence while in transit and until returned to the owner's premises. Such risks may be written under marine forms provided the property belonging to the assured publisher is excluded while on his premises.

Lunch wagons and/or dining cars sold on instalment, whether or not on permanent foundations, may be insured under marine forms until the interest of the seller ceases. Such risks, not on wheels, under lease or leased on a royalty basis, may not be insured marine-wise.

Late Insurance News of the Pacific Northwest

The fire insurance rate deviation problem in Washington will again be uppermost, as the new state law requires that a deviation filed on any one class, must automatically apply to all other classes. Reaction to the law by a number of local agents is anticipated.

* * *

W. A. Comrie has been added to the staff of the Fire Companies Adjustment Bureau, Portland. He is the son of A. A. Comrie, Portland manager for C. W. Sexton & Co.

* * *

Frank W. McCaskey, Spokane, Wash., operating his own company for the past 17 years, has merged with R. J. Martin & Co., and has become associated with the latter as vice-president.

* * *

M. P. Totten, for the past 10 years investigator at Seattle for the Travelers, has resigned and will enter the independent adjusting field.

* * *

At Seattle, Bronson-Matthews & Co. agency won the Goodbar Jones trophy cup and the \$250 cash prize for the agency of General of Seattle showing the greatest percentage of increase in insurance from Jan. 1, 1933. Second place was taken by Hall-Smaley Agency at Sprague, Wash., and a \$100 check.

* * *

Warren C. Webb was president of the General Appraisal Company at the annual meeting in Seattle. He takes the place left vacant by resignation of E. M. Taylor, who served for some eight years. Roy A. Dean was named vice-president; J. O. Hopkins, secretary, and R. R. McCloy, treasurer.

* * *

The Great Lakes Casualty of Detroit has been licensed in Washington.

Late News from the Casualty Field

Mississippi Contract Bond Law Held Constitutional

WASHINGTON, Feb. 7.—The United States Supreme Court has affirmed the validity of the Mississippi statute requiring that contract bonds shall inure to the benefit of persons furnishing material or labor, even though the bond expresses an intention to exclude them.

The decision was rendered upon an appeal from the Mississippi supreme court by the Hartford Accident and Aetna Casualty.

The court pointed out that the statute "was in existence for many years before the bond in suit was written. Principal and surety in writing it became subject to the statutes then in force, and by these they must abide."

Inter-Ocean Casualty's Year

The Inter-Ocean Casualty of Cincinnati reports assets \$461,681, net surplus \$62,328, unearned premiums \$158,493, capital \$100,000. Net premiums written were \$960,231, losses paid, \$522,716, total income \$1,101,614 (including \$100,000 transferred from capital to surplus), total disbursements \$1,061,853. Weekly accident and health premiums were \$146,000, losses \$52,000; monthly and commercial premiums \$546,000, losses \$279,000.

U. S. Orders Return of \$18,000

The Great American Indemnity will profit by \$18,000 through action of the U. S. Senate in ordering return of the amount paid by the company under a forfeited bail bond in an action brought against four parties by the national government. The defendants surrendered 24 hours after the forfeiture of the bond.

W. I. Cornell Dies

W. I. Cornell, manager of the Boston branch office of the Hartford Steam Boiler since 1919, died Wednesday morning after a brief illness. Previously he was assistant manager for three years and before that special agent in New York.

How to Meet Competition

SEATTLE, Feb. 8.—Howard Seabury, manager of the claim department of Mercer Casualty, was the principal speaker at the regular meeting of the Blanket Club. Speaking on the general topic of competition and the best methods to meet it he advised that the agent who can most successfully cope with it is the one who sells his company rather than himself; who is known as the representative of a reputable company, and is at all times thoroughly conversant with his subject, and filled with the importance of his message.

Middle States Casualty Action

J. N. Parsons, president Middle States Casualty of Oklahoma City, which was placed in the hands of a receiver, declares that this was occasioned by the fact that the company was unable to get into actual possession certain securities which it owned and for which it held receipts. Mr. Parsons states that it was necessary to take legal action in order to force these securities to the head office and give the officers custody. He believes that the matter will be ironed out during the next few days and the company will be able to continue.

Fleming on Southern Tour

NEW YORK, Feb. 7.—T. Alfred Fleming, supervisor of the conservation department of the National Board, is on a speaking tour through the south. He

has addressed the engineering classes in several universities upon proper building construction in its relation to fire losses, and is scheduled to speak before various commercial bodies and fire chief gatherings along similar lines.

W. P. Nabors With New Group

W. P. Nabors of Houston, who has been special agent for the Crum & Forster group for seven years, has been appointed special agent for the Tokio and Standard of New York. He was formerly in the rating office at Austin. George Z. Day of New York City, as-

sistant United States manager, has been on a trip in Texas and Louisiana, leaving this week for Chicago.

Charge Broeker With Swindling

Two charges of swindling a widow of \$9,800 in securities are made in warrants issued by the district attorney of Milwaukee against Felix Broeker of Indianapolis, who in recent months has been endeavoring to organize a life company there. The widow states that she entrusted the money to Broeker in September 1932, he telling her he was

negotiating to buy a Milwaukee insurance company. Mr. Broeker has had a spectacular and lurid career as a promoter and insurance man. He formerly operated in Kansas and then was an official of the old Atlas Casualty of Fort Wayne, which went into the hands of a receiver. He then endeavored to organize a company in Chicago and purchased the Illinois Indemnity, changing its name to the Republic Casualty. He was ousted from that company and since then has been engaged in promotional enterprises in Chicago and Nebraska.



... IN October 1871 the CHICAGO fire put the Company to its first great test in this country. The London Board no sooner heard of the disaster than it cabled: "Settle losses promptly. Draw at three days' sight. Subscribe \$5,000 for sufferers." The Company paid claims amounting to \$2,472,000.

In 1872 the Company was involved for \$742,000 in the BOSTON fire; and in 1904, for \$857,000 in the BALTIMORE fire. Its treatment of both losses again added to its growing reputation.

But 1906 brought the supreme test, when SAN FRANCISCO was destroyed by a three-day conflagration. As in the past, the "North British" promptly settled all its claims paying \$4,000,000 to policyholders; and also giving a liberal sum toward the relief of the sufferers.

◀ CONFLAGRATION AND PANIC PROOF ▶



North British & Mercantile Insurance Company, Ltd.

▶▶ 125 YEARS OF STABILITY AND ENTERPRISE ◀◀

NEWS OF THE COMPANIES

Fireman's Fund's Operations

President Levison Presents Some of the Interesting Figures in the Financial Exhibit

President J. B. Levison of the Fireman's Fund reports an underwriting profit of \$1,305,000 as compared with \$50,000 a year ago. The assets are \$29,000,155, increase \$756,000. The assets are based on market values. The capital is \$7,500,000 and the net surplus \$6,991,999, increase \$1,455,000. There is a decrease of about 3 percent in premiums, the total being \$12,658,000. The shrinkage was largely in the first six months. Its marine premiums were \$2,869,000, increase \$370,000. The fire premiums were \$7,575,000, decrease 6 percent. This compares with a decrease of 13 percent for the previous year. Automobile premiums were \$2,208,000, the investment income was \$1,218,000, decrease 10 percent.

The three companies in the Fireman's Fund group showed a 39 percent

reduction in fire losses. President Levison said that by the end of the year collection conditions improved materially and the overdue premium account is less than it was a year ago.

An increase of 12½ percent in premiums was reported by the Occidental, the total being \$765,000. Its underwriting profit was \$65,000. Its assets are \$3,286,000, capital \$1,000,000, net surplus \$1,392,000.

Results of Royal-L. & L. & G.

Combined Premiums of Fire Companies in Groups \$28,748,509—Trading Gain \$1,782,180

Total premiums of all the fire companies in the Royal-Liverpool group in 1933 amounted to \$28,748,509. The combined losses incurred were \$11,978,612, giving a loss ratio of 41.67 percent. Adjustment expenses amounted to \$977,021 or 3.40 percent. General expenses were \$14,010,696 or 48.73 percent. Thus the trading gain was \$1,782,180 or 6.20 per-

cent. Adding the decrease in reinsurance reserve of \$2,720,539, the underwriting gain is \$4,502,719 or 15.66 percent.

Net premiums of the Royal amounted to \$8,219,337, losses incurred \$3,428,938, or 41.72 percent; adjustment expenses \$277,230, 3.37 percent; general expenses \$4,052,907, 49.31 percent. Trading gain is \$460,462 or 5.60 percent. Decrease in premium reserve is \$798,333, underwriting gain \$1,258,795 or 15.31 percent.

The London & Liverpool & Globe reports net premiums \$8,038,796, losses incurred \$3,293,981, 40.98 percent; adjustment expenses \$284,069, 3.53 percent; general expenses \$3,950,548, 49.14 percent; trading gain \$510,198, 6.35 percent; decrease in premium reserve \$788,890 and underwriting gain \$1,299,088 or 16.16 percent.

Following are the underwriting results of the other companies in the groups:

Queen			
Net prem.....			\$6,614,432
Losses inc.....	\$2,792,736	42.22	
Adj. exp.....	215,406	3.26	
Gen. exp.....	3,161,925	47.80	6,170,067
Trade gain.....	6.72		444,365
Dec. in unearn.....			581,747
Und. gain.....	15.51		\$1,026,112
Newark			
Net prem.....			\$2,821,263
Losses inc.....	\$1,177,245	41.73	
Adj. exp.....	95,086	3.37	
Gen. exp.....	1,373,446	48.68	2,645,777
Trade gain.....	6.22		175,486
Dec. in unearn.....			261,779
Und. gain.....	15.50		\$437,265

Americana & Foreign (Fire Branch)			
Net prem.....			\$719,352
Losses inc.....	\$295,421	41.07	
Adj. exp.....	24,679	3.43	
Gen. exp.....	369,177	51.32	689,277
Trade gain.....	4.18		30,075
Dec. in unearn.....			72,084
Und. gain.....	14.20		\$102,159

Star			
Net prem.....			\$1,619,886
Losses inc.....	\$680,585	42.02	
Adj. exp.....	55,149	3.40	
Gen. exp.....	771,206	47.61	1,506,940
Trade gain.....	6.97		112,946
Dec. in unearn.....			146,016
Und. gain.....	15.99		\$258,962

Federal Union			
Net prem.....			\$609,672
Losses inc.....	\$264,813	43.44	
Adj. exp.....	20,410	3.35	
Gen. exp.....	279,076	45.77	564,299
Trade gain.....	7.44		45,373
Dec. in unearn.....			44,563
Und. gain.....	14.75		\$89,936

Capital			
Net prem.....			\$105,571
Losses inc.....	\$44,893	42.52	
Adj. exp.....	4,992	4.73	
Gen. exp.....	52,411	49.65	102,296
Trade gain.....	3.10		3,275
Dec. in unearn.....			27,127
Und. gain.....	28.80		\$30,402

Net Surplus of the Home Is More Than \$7,000,000 Higher

The Home of New York, in its annual statement, reports assets \$89,679,392. There was a drop in premium reserve from \$38,742,215 to \$35,789,411. Net surplus was increased by more than \$7,000,000 and now stands at \$27,492,597. Contingency reserve was decreased by more than \$12,000,000 and now amounts to \$6,594,777, which represents the entire difference between market and convention values.

The Carolina of the Home organization reported assets \$2,096,240, capital \$500,000, premium reserve \$507,225, contingency reserve \$140,832 and net surplus \$627,240.

Homestead Figures

Assets of the Homestead amount to \$1,627,223, capital \$500,000, premium reserve \$439,372, contingency reserve \$72,068 and net surplus \$286,440.

The Franklin Fire shows assets \$17,258,172, capital \$3,000,000, net surplus \$4,762,009. Premium reserve is \$5,114,255, and contingency reserve, \$1,281,154.

The City of New York has assets \$5,103,392, capital \$1,500,000, net surplus \$812,127, premium reserve, \$1,453,359, contingency reserve \$409,202.

The New Brunswick reports assets \$4,184,772, capital \$1,000,000, net surplus \$942,057, contingency reserve \$324,506, premium reserve \$1,160,504.

The Harmonia's assets are \$3,450,784, capital \$1,000,000, net surplus \$804,915,

contingency reserve \$460,450, premium reserve \$752,528.

The Halifax Fire, United States branch, shows assets \$2,336,955, surplus to policyholders \$1,191,607, contingency reserve \$219,631, premium reserve \$584,472.

Camden Issues One of Best Reports in Twenty Years

Reporting an underwriting profit of \$220,211, a gain in investments of \$514,180 and a net premium income but \$1,266 less than 1932, W. T. Read, president of the Camden Fire, comments that 1933 was the best year for his company of the last two decades, with the exception of the boom years of 1927, 1928 and 1929.

"The year 1934 promises well," says Mr. Read in his report. "We are recovering from our financial ills. No legislation is going to give us a panacea. We must learn to respect a law which was not enacted by any legislative body, nor can it be amended or repealed by such a body; that is the law of supply and demand. The people at large can repeal this law, as they did in 1929 by their utter disregard of it and we have been paying the penalty ever since."

"Enough punishment has been exacted. The old law is operating again to our benefit; let us keep within it; get back our gold standard and enjoy prosperity as a people and a nation, and replace humbug, taxes and covetousness with honesty, truth and charity."

Assets amount to \$11,225,601. Premium reserve is \$4,314,878. The contingency reserve of \$1,430,068 offsets the difference between stocks and bonds carried in assets and the actual market value of both. Capital is \$2,000,000 and net surplus \$2,490,161.

Providence Washington Has Good Showing in Statement

Net premiums of the Providence Washington in 1933 showed an increase of about 1 percent and there was a nominal gain for the Anchor, President G. C. House reports. There was a remarkable reduction in losses and each department of the company showed a profit. The total underwriting gain was \$424,568.

Mr. House states in past periods of depression a rising volume of premiums, coupled with a low loss ratio, has indicated the turning of the tide. The maintenance of large cash balances and investment in government securities results in a low interest yield, the income from investments from the Providence Washington being \$396,159 and for the Anchor \$64,344.

Uncollected Premiums

During the year there was \$15,000 charged off on account of non-payment of agency balances. Uncollected premiums more than 90 days due aggregated \$49,000, but practically all this sum is declared to be collectible.

Assets of the Providence Washington amounted to \$11,482,180, including United States securities \$1,398,741; state, municipal and other bonds, \$1,980,968; investment in the Anchor, \$1,278,390; bank and trust company stock, \$1,633,065; preferred stock, \$930,003; other stocks, \$2,690,836; office building, \$100,000; cash, \$615,494.

Premium reserve amounts to \$4,048,530; contingency reserve, \$709,956 (adjusting valuations of all securities to market values as of Dec. 31); capital \$3,000,000 and net surplus \$2,647,153.

Net premiums amounted to \$4,637,733, net losses paid, \$2,210,809; expenses, \$2,070,079, and taxes, \$150,015.

Assets of the Anchor amount to \$1,868,406, including U. S. securities, \$562,118; state, municipal and other bonds, \$667,389; bank and trust company stock, \$77,370; preferred stock, \$146,220; other stock, \$189,550; cash, \$143,028.

Premium reserve amounts to \$441,-



PHOENIX ASSURANCE COMPANY, Ltd.

of LONDON

150 William Street, New York

1782 - - - 1934

Time-Tested — Depression-proof

An Insurance Company that has endured and prospered for over 150 years is a good one to represent.

You can expect such a Company to continue in the future to uphold proper practices and co-operate with its Agents as it has in the past.

One hundred and fifty-two years means more than age—it means experience, sound and sane judgment, underwriting skill.

PHOENIX INDEMNITY COMPANY

55 Fifth Avenue, New York

Metropolitan Department, 150 William Street.

691; contingency reserve, \$48,047; capital, \$1,000,000, and net surplus, \$287,660.

Hanson Is Made Secretary

Miss Helen H. Hirth has resigned as secretary of the Retail Hardware Mutual Fire of Minneapolis but will continue with the organization. J. E. Hanson, treasurer, was elected secretary and treasurer. R. J. Grant, vice-president and manager, was elected a member of the board.

Hanover Figures Given

Assets of \$14,638,375 are reported by the Hanover. The principal items are cash \$749,855 and bonds and stocks \$13,031,559. Premium reserve is \$4,303,873, contingency reserve \$1,405,773, adjusting assets to market value, capital \$4,000,000 and net surplus \$3,652,071.

Travelers Premiums Higher

Net premiums of the Travelers Fire last year amounted to \$9,852,904, as compared with \$9,132,936 the year before. Fire premiums were \$6,812,342, automobile \$1,418,956, windstorm \$378,645 and miscellaneous \$618,684.

Losses paid amounted to \$3,017,626 as compared with \$4,394,494 the year before.

Total assets were \$16,913,710, premium reserve \$10,774,326, special reserve \$1,832,722, capital \$2,000,000 and net surplus \$1,941,903.

John A. Cosmus Resigns

John A. Cosmus, vice-president of the Connecticut Fire, who has been connected with that organization since 1905, has retired because of poor health. Mr. Cosmus was made assistant secretary of the Connecticut Fire in 1908 and advanced to secretary in 1912. Two years later he was elected a director and was made vice-president in 1920.

Gulf Had Good Year

At the annual meeting of the Gulf of Dallas, the officers reported splendid progress and declared a dividend of 6 percent. It was organized in 1925 and has shown a steady growth every year. It is licensed in nine states for direct business and three others for reinsurance. Its premium income last year was \$1,400,000. All the officers were re-elected and the position of treasurer was created, J. E. Chenault being elected to fill it. The new position of resident secretary at Los Angeles was established with V. C. Dargan being elected to that position.

National Union Fire Figures

The National Union Fire of Pittsburgh in its new annual statement shows assets \$12,158,845. Its bonds on market value basis are \$5,659,580 and its stocks on the same basis are \$2,460,053. Its cash is \$849,301. Its premium reserve is \$6,116,881, capital \$1,100,000 and net surplus \$3,272,299, increase \$1,441,778 or 78.9 percent. It is very substantially ballasted.

Security of New Haven Data

The Security of New Haven in its annual statement shows assets \$10,418,579, premium reserve \$3,840,226, contingency reserve \$1,157,576 (adjusting values to actual market quotation), capital \$2,000,000 and net surplus \$2,403,879.

The affiliated East & West has assets \$2,908,049, premium reserve \$484,148, capital \$1,000,000 and net surplus \$895,926.

Lumbermen's Mutual Conference

With agents from central Ohio, Pennsylvania, West Virginia and Kentucky in attendance, a regional conference of the Lumbermen's Mutual will be held in Columbus, O., Feb. 14-16. T. H. Eisenstein of Huntington, W. Va., will be chairman and A. M. Wolf, Pittsburgh, associate chairman. Producing, advertising, underwriting and claims will be discussed. Speakers will include C. H.

Keating, Mansfield, president and general manager; W. H. G. Kegg, secretary of the company, and W. R. Mengelberg, vice-president Lumbermen's Mutual Casualty, Chicago.

American Druggists Report

The American Druggists' statement shows assets, \$2,108,840, unearned premiums \$214,043, capital \$750,000, net surplus \$1,076,761. Net premiums written were \$384,811, losses paid \$138,181, expenses \$166,562, adjustment expenses \$5,231. Net profits from all sources were \$101,192.

Indiana Insurance Co. Figures

The annual statement of the Indiana Insurance Company of Indianapolis shows assets \$781,555, increase \$8,304; premium reserve \$305,180; capital \$130,000; net surplus \$184,158, increase \$8,872. It sets up \$16,082 as a contingency reserve. This company was chartered in 1851. Its assets include \$124,367 cash not on interest and \$96,203 cash, certificates of deposit, savings, etc. on interest, \$99,470 bonds, \$239,400 stocks.

Central Manufacturers Figures

The Central Manufacturers Mutual Fire of Van Wert, O., in its new statement shows assets \$4,416,465, gain \$126,-

000, surplus \$2,140,160, gain \$130,000. This includes \$250,000 contingency reserve, which is more than ample to provide for any difference between amortized bond values and market values. Stocks are all carried at market value as of Dec. 31.

Eureka-Security Statement

The Eureka-Security reports: assets \$3,483,342, premium reserve \$1,501,726, contingency reserve representing full difference between the convention and market values \$310,109, capital \$500,000, net surplus \$803,653. Ratio of losses incurred to premiums earned was 42 percent; adjustment expenses incurred to premiums earned, 3.6 percent; expense ratio 50.7 percent.

Union National Setup

The Union National Fire of Omaha which commenced writing business Feb. 1, reports as of Dec. 31, assets \$152,230, capital \$101,000 net surplus \$51,280. Authorized capital is \$500,000.

Company Notes

E. B. Redfield, Blair, Neb., has succeeded R. H. Rasmussen, deceased, as secretary of the Grange & Farmers of Washington and Burt counties.

The National F. & M. of Elizabeth, N. J., will increase its capital from \$500,000

HOLC Official in Assuring Word as to Overinsurance

John A. Hoyt, assistant general manager of the Home Owners Loan Corporation, in response to an inquiry as to the danger of over-insurance on properties on which HOLC loans are made, states the corporation is returning a great many policies for cancellation which were not needed, since the coverage was in excess of the amount necessary to replace the buildings in the event of total loss. Mr. Hoyt states the practice, from the first loans closed, has been to require coverage in the amount of the loan or the present replacement value of the improvements, whichever was smaller. He states the corporation will be glad to correct the coverage on particular loans if the over-insurance is brought to the attention of the HOLC.

to \$600,000. The stockholders met Feb. 7 to vote on the recommendation of the directors.

The National Fire Protection Association reports that at Moline, Ill., the recently adopted building code was amended to permit wooden shingle roofs on dwellings outside the fire limits in spite of the fact that during the last five years 44 percent of all dwelling fires in the city were shingle roof fires.

WHEN IT COMES TO MORE BUSINESS

You Can't Take It, Eh?

● Somehow, we cannot warm up to the Agent who "has all the business he can handle" and hence "has no time for planned selling." Business seldom remains stationary: it goes either forward or backward. Therefore, the Agency that does not continue to make progress will eventually decline.

If your present staff is consistently rushed with business now on the books, it means one of two things: either you need more help for the purpose of developing new business, or a weeding-out of unprofitable business is in order so as to release time to develop a better quality.

Business which has been sold is apt to continue longer and be better pay, because the policyholders were of your own selection. Insurance that is purchased voluntarily is frequently but the result of a passing whim, both as to protection and choice of representative. It will pay you to scrutinize all business that comes to you unsolicited these days.

The Agency that will be sitting pretty next Fall is the one that cleans house now, and devotes a definite portion of its time to a systematic sales program among those who need certain kinds of protection and have the money to pay for them. May we help you to greater profits?

BY THE FIRE COMPANIES
OF THE AMERICAN GROUP



THE AMERICAN OF NEWARK
THE COLUMBIA FIRE OF DAYTON
DIXIE FIRE OF GREENSBORO

FIGURES FROM DECEMBER 31, 1933 STATEMENTS

STOCK COMPANIES											
	Assets	Change in Assets	Security Fluc. Res.	Reins. Res.	Change in Reins. Res.	Capital	Surplus	Change in Surplus	Losses Paid	Net Prem.	Loss Ratio %
Allstate Fire	\$318,831	+1,475		21,215	-26,427	200,000	\$90,440	+45,581	21,082	14,695	143.0
Automobile, Conn.	18,248,792	-1,736,545	1,500,000	4,504,948	-186,380	5,000,000	3,366,387	+320,752	2,435,543	5,884,211	41.3
Dubuque F. & M.	4,485,269	-350,220	200,000	2,381,765	-142,399	1,000,000	461,605	-437,797	868,347	1,898,265	45.8
Equity Fire, Mo.	865,224	-228,263		60,458	-229,950	200,000	592,516	+35,717	92,909	42,598	218.0
Illinois Fire	657,574	-187,394	50,000	215,417	-57,077	200,000	168,736	-82,269	59,732	128,367	46.0
Inter-Ocean Reins.	3,944,845	-56,566		1,907,708	-170,928	500,000	11,165,936	+108,520	932,263	2,003,185	46.5
Louisville F. & M.	108,524	-17,558		19,801	-4,757	50,000	35,341	-3,184	5,130	28,136	18.2
Merchants, R. I.	2,865,829	-247,440	58,399	831,638	-24,265	1,000,000	706,429	-303,635	406,074	847,949	47.8
National Reserve, Ia.	2,120,305	-271,543	125,000	1,142,441	-310,571	250,000	407,794	+160,802	474,423	764,283	62.0
Pa. Ind. Fire	629,056	-76,533	11,419	103,006	-50,323	200,000	235,566	+5,444	73,036	203,975	35.8
Prudential, Okla.	179,170	-15,242				100,000	71,001	-17,842	19,046		
Rhode Island	3,767,987	-767,720	251,885	1,247,457	-36,397	1,000,000	711,927	-366,259	628,662	1,263,562	49.7
Standard, Conn.	4,454,067	-254,017	300,000	1,627,896	-49,866	1,000,000	1,225,164	+98,379	592,713	1,449,311	40.9
Travelers Fire	16,913,710	+959,124		9,510,312	+302,906	2,000,000	1,941,903	+393,793	3,017,626	9,236,246	32.6

*Dec. 31, 1933, values.

†Includes \$150,000 voluntary reserve.

MUTUALS											
	Cash Assets	Security Fluc. Res.	Unearned Prem.	Cash Surplus	1933 Prem.	Losses Paid 1933	Total Income	Total Disburs.			
Abington Mutual	\$440,419	\$16,163	\$216,085	\$192,854	\$187,604	\$66,164	\$204,456	\$190,109			
Arkwright Mutual	5,905,288		2,025,883	3,844,137	2,838,601	115,190	3,682,095	3,682,095			
Fidelity Mutual, Ind.	315,536	10,000	113,284	168,360	166,809	55,729	169,068	152,333			
Hurst Home, Ky.	1311,107			308,041	93,150	41,328	105,306	81,699			
Indiana Lumbermen's Mutual	2,286,226	100,000	677,215	1,401,057	1,090,053	416,685	1,203,732	1,145,340			
Iowa Mutual	711,112		343,177	277,725	404,276	256,195	432,081	471,808			
Lumbermen's Mutual, O.	2,038,469		1,182,004	646,785		617,500					
Minnesota Implement Mutual	4,022,795	200,000	2,450,659	1,130,868	3,356,198	1,063,621	3,616,251	3,388,942			
Ohio Mutual	437,240		60,661	366,332	81,812	21,409	99,299	88,084			
Oregon Mutual	637,936	31,722	442,646	264,128	560,242	242,135	516,242	476,289			
Providence Mutual	1,373,826	147,240	249,879	946,753	144,593	35,723	210,699	184,439			
Western Millers Mutual	775,811	2,500	328,929	401,248	551,660	195,547	551,495	585,795			
Western Mutual	121,538		63,404	69,464	98,125	35,591	104,080	104,827			

*Does not include notes and policyholders' contingent liability.

†Dec. 31, 1933, values.

Watson Says Appointments of Agents Are Big Issue

NEWARK, Feb. 7.—Agency appointments are one of the most important questions facing field men, Leon A. Watson, manager of the Schedule Rating Office of New Jersey

told the New Jersey Special Agents Association at luncheon-meeting. Fieldmen are the ambassadors of the insurance company through their contact with agents and assureds. Someday some fieldmen will become company executives and it behooves them to become acquainted with situations and endeavor to improve conditions. He said

that insurance companies watch closely attacks made on utilities as fire insurance to some extent is a utility.

Fire insurance must keep pace with developments in business and industries, and this can be only done through fieldmen. He spoke briefly on stock-mutual competition.

New Prevention Gas Renders Materials Non-Inflammable

Details of a new prevention gas were outlined at the recent safety congress in Newark by Dr. H. E. Vogel, president of the International Fire Prevention Company. The new gas, according to Dr. Vogel, is effective in preventing fires, explosions and evaporation. It is a special gas that excludes oxygen, has inert properties and is manufactured in variety to suit particular purposes. It is harmless to all objects, is colorless, odorless, and does not mix or combine with objects to be protected.

The new gas is the result of 16 years of research. Through the special equipment the gas is released automatically, independent of human attention, by pressure or vacuum methods which assures dependability.

The principle of the gas prevention system is to render objects, materials and liquids entirely non-inflammable and non-explosive, according to Dr. Vogel. Any development of vapors or evaporation is suppressed and objects, materials and liquids are rendered entirely non-inflammable and non-explosive. Igniting objects are rendered harmless.

Connecticut Tax Commission

The Connecticut special tax commission will hold a hearing Feb. 16, it having been authorized by the last legislature. It seeks suggestions for modification of tax requirements intended to eliminate defects and inequalities, and to safeguard the state against any drastic decrease in revenues at this time.

Great American Conference

The western department field men of the Great American will be in Chicago next week for a conference with Manager C. R. Street.

Factory Mutuals Surveying Possibilities in Liquor

LOUISVILLE, Feb. 7.—The factory mutuals are now developing plans for writing liquor risks in Kentucky. They are quoting rates on the Schenley Distillery plants, and it is understood that the Manufacturers Mutual representatives have visited all of the Schenley plants accompanied by H. G. Strachan of the John F. Curry agency of New York, along with representatives of the Grinnell Sprinkler Co. to survey plants and properties for mutual acceptance. Plants and contents will be underwritten. This is pretty much of a new field for the factory mutuals and they are surveying its possibilities.

A survey is being made in connection with plans for designing an approved whisky warehouse, for which it is hoped to develop a net contents rate of about 10 cents for three years.

It is planned to design sectional warehouses, similar to cotton, or tobacco warehouses, using fire stops, and built of brick and steel, racks to have wooden barrel runs only; and roof on steel truss type of construction, using metal or tile covering. Such warehouses would be floored every six tiers, or at intervals of about 14 feet, and would be sprinklered.

False Corn Insurance Notions

That misapprehension still exists as to the Commodity Credit Corporation corn insurance requirements is evidenced by an editorial in the "Prairie Farmer" of Jan. 20, in which the statement is made: "In Illinois the farmer does not have to insure the corn."

The editorial assumes that the underlying CCC policy provides complete protection. As a matter of fact, if the farmer does not carry individual insurance and a loss occurs, the Hartford Fire and Glen Falls, which hold the underlying policy, may proceed against the farmer with a judgment, those companies being subrogated to the rights of the CCC and the farmer being required at maturity date to turn over to the CCC either the corn on which the loan was made or must repay the loan in cash.

Restrictions Govern Lloyds

In answer to inquiries, the Illinois insurance department advises that London Lloyds is not now authorized to write its comprehensive household policy in Illinois. The same restrictions apply to Lloyds as govern other institutions under the uniform definition of marine writing powers, which was made effective in Illinois.

Lloyds would seem to be somewhat different from that of other institutions, inasmuch as Lloyds is now admitted in Illinois to write fire, burglary, casualty, marine, etc. Possibly, therefore, Lloyds could write its comprehensive policy under its fire and casualty powers and thus avoid the restrictions.

C. W. Higley's Daughter Betrothed

C. W. Higley, president of the Hanover Fire, and Mrs. Higley, announce the engagement of their daughter, Martha Brown Higley, to John d' Aubry Briscoe of Cambridge, an instructor in Harvard University. He is a son of Mr. and Mrs. Frank Briscoe of Denver, who formerly resided in Detroit. He graduated from the University of Michigan in 1924 and took a post graduate course at Cambridge, England, and Columbia. He then taught at the University of Wisconsin. Miss Higley attended the University School for Girls, graduated at Vassar and is now taking a post graduate course at Radcliffe. The wedding will take place at the Higley summer home in Gloucester, Mass., the latter part of June.

The D. J. Slater Agency, which has represented the Royal for about 40 years in Rosedale, now a part of Kansas City, Kan., has been sold to G. S. McNaney.

R. N. CRAWFORD & CO.

INC.

All Lines of Insurance

Representing

LLOYD'S OF LONDON

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Special and Unusual Contracts

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CHICAGO, ILLINOIS

General Chairman



C. D. HARRIS

C. D. Harris, well known local agent at Louisville, is general chairman of arrangements for the mid-year meeting of the National Association of Insurance Agents to be held in that city the week of March 19. He spent a year at Johns Hopkins and two years at Cornell, where he received his A. M. degree. He was formerly assistant chemist in the North Carolina department of agriculture. He then returned to college at the University of Iowa, taking a special course at the expense of North Carolina. He later entered the tobacco business which resulted in his going to Louisville with the old Strater Bros. Tobacco Company. When the pool bought the Strater business, Mr. Harris connected with Ferguson & Scott, Louisville insurance agents. Later he became a partner, the name being changed to Ferguson, Scott & Harris. Subsequently he became the sole owner of the business operating under his own name until he formed a partnership with W. W. Gaunt under the firm name of Gaunt & Harris, one of the largest agencies in the city. One of his sons, C. D. Harris, Jr., who served his apprenticeship with the Kentucky Actuarial Bureau, has now joined the Gaunt & Harris agency.

Future of Inland Marine Is Viewed

(CONTINUED FROM PAGE 5)

called upon to protect, under one contract, property against any and all physical loss or damage from any cause. Such policies very likely will contain a deductible or franchise clause to eliminate small claims, the primary intention of the coverage being to protect only against serious losses. The principal reason for the writing of 'all-risk' coverages is not to assume carelessness or nuisance losses, but to provide protection against unforeseen hazards. "At the present time we are subject to many rules and regulations which are having a tendency to impede progress, and the removal of these will be necessary before we are in a position to furnish comprehensive and adequate protection, which, after all, is the prime function of the insurance business."

Mississippi Leader Dies

Guy M. Houston, member of the Mississippi insurance commission and for many years a prominent and successful local agent at New Albany, Miss., died at his home there after a week's illness. He was 55 years old, and had 23 months yet to serve. His successor has not yet been named by Commissioner George D. Riley, who is confined to his home by slight illness.

Better Management Urged by Sullivan

(CONTINUED FROM PAGE 4)

use such companies as a pawn in larger games. And the trails left by their operations warrant their universal condemnation."

Closely allied to the evil of interlocking directorates is that of financial in-breeding, said Commissioner Sullivan, pointing out that while in moderate amounts, the holding of the stock of other companies is a wise provision and tends to create a helpful relationship among insurers, at times through the pyramiding operations of promoters, through mergers and reorganizations, a large part of the capital stock of one company will be owned by another and, he said, there have also been situations where the larger part of the assets of a company have been composed of the capital stock of another. "The past depression has shown this particular arrangement to be of great danger. Through it, the distress of one company immediately is communicated to the other, and failure of the one may cause the distress of the others in the ownership chain. Widespread holding of capital stock creates vitality, and a possible source of new funds should the need become great, and without the necessity of outside aid."

Uniform Laws Needed

Even as the depression brought trouble upon the companies, it also greatly increased the labors of all public agencies of supervision. The problems of state insurance officials are mutual, and yet it has frequently been impossible to obtain a uniform solution, he said. Differences in the powers of the official, and in state procedure are often a definite handicap to the proper handling of a company doing business in more than one jurisdiction. "The period just ended reveals an unmistakable need for more uniformity and greater coordination between the laws and powers of officials of the various states."

United States Fire Report

The annual statement of the United States Fire of the Crum & Forster group shows assets \$25,267,450, capital \$2,000,000, net surplus \$9,840,095, after setting aside \$1,552,843 as contingency reserve, and providing for all other reserves. The company has on deposit with the New York department \$2,500,000 in government bonds as a special reserve fund, and carries \$2,500,000 in its guarantee surplus fund.

Terms of Philadelphia Agreement Are Ratified

PHILADELPHIA, Feb. 7.—The Philadelphia division of the Middle Atlantic Rating Bureau, formerly the Philadelphia Board, today ratified the terms of a proposed agreement between Philadelphia agents and the Eastern Underwriters Association, thus setting the stage for an agency agreement to be signed between local agents and companies for the first time in something like five years.

In Philadelphia, the congested area, which has been from the Delaware river to 12th street, between Vine and Pine streets, will end at 7th street and the area of the five blocks will go into the intermediate or 25 percent commission class, giving the agents and brokers a higher commission on the business in that territory.

The suburban territory commission fight was settled with the companies allowing the agents to collect the old 35 percent commission for the months of July, August and September and the new 30 percent commission scale, which was to have gone into effect last July, beginning as of Oct. 1.



Indemnity Insurance Company of North America

PHILADELPHIA

CAPITAL \$1,000,000

Casualty
Fidelity
Surety

Unquestioned Financial Stability

Unique, Convenient Policies

Complete, Efficient Service

All Modern Coverages

Combination Automobile Policy, Combination Residence Policy and Complete Golfer's Policy issued jointly with allied fire companies.

NEWS OF FIELD MEN

Homeland Names F. S. Rogers

St. Paul Office Made General Agent in Minnesota for Unit of North British & Mercantile Group

ST. PAUL, MINN., Feb. 7.—Frank S. Rogers of St. Paul, doing business as Rogers & Field, Inc., has been ap-



FRANK S. ROGERS

pointed general agent in Minnesota for the Homeland Fire of the North British group. Mr. Rogers is the head of one of the most progressive general agencies in the state. He was special agent of the Standard of Hartford from 1916 to 1922 and traveled in the Minnesota field from 1922 to 1929 for the North British & Mercantile. He then organized his general agency and in less than five years has built it up to an outstanding position in the state. Mr. Rogers is widely known to and personally popular with the agents throughout the territory.

Edward Johnston Joins the America Fore in Minnesota

Edward Johnston of the Dulaney, Johnston & Priest agency of Wichita has become reassociated with the America Fore organization and will travel in Minnesota under State Agent N. Dekker. Mr. Johnston is the son of E. H. Johnston of the Wichita agency. He has been connected with the Dulaney, Johnston & Priest office for about four years, previous to which he was special agent for the America Fore companies in Oklahoma. He is a graduate of the Northwestern university insurance course and before entering the field spent some time in the western department office of the America Fore.

Mr. Dekker, who traveled in Kansas until about a year ago, had his office with the Dulaney, Johnston & Priest agency.

Mr. Johnston is one of a number of Kansas men in the Minnesota field. J. G. Macfarland, state agent for the American, went to Minnesota from Wichita less than two years ago. Then there is T. M. Fergus, who covers Minnesota for the Fidelity & Guaranty Fire.

J. R. P. Walker in Field

J. R. P. Walker, who has been in charge of the loss department of Siebels, Bruce & Co., of Columbia, S. C., has been made special agent in South Carolina for that concern.

Indiana Field is Rearranged

A. W. Lewis Resigns as Norwich Union State Agent—Territory Divided Between Driscoll and Ogilvie

A. W. Lewis has resigned as Indiana state agent for the Norwich Union, a position he has held about ten years. His territory is being divided between L. E. Driscoll of Louisville, who will have charge of the southern part of Indiana, and K. S. Ogilvie of Chicago, who will supervise northern Indiana.

Mr. Driscoll has been with the Norwich Union in Kentucky about four years. Previously he traveled that state for the Home.

Mr. Ogilvie has the title of state agent and has been responsible for Chicago and St. Louis more than three years. Previously he was Missouri state agent for the Norwich Union, with headquarters in Kansas City. He started in the business with R. B. Jones & Sons of Kansas City before the war.

E. W. Northup Is President

Annual Meeting of the Special Agents Association of Central-Northern California Is Held

SAN FRANCISCO, Feb. 7.—E. W. Northup, Great American, was elected president of the Special Agents Association of Central-Northern California at its annual meeting. Other officers elected: S. E. McPherson, Netherlands, vice-president; Harrison Houseworth, secretary; C. S. Myrick, Liverpool & London & Globe, treasurer; H. C. Silvershield, Chapman & Co., sergeant-at-arms. Executive committee: A. W. McKnight, W. E. Pinney, A. J. Anthes, W. E. Kelly, C. A. Brown, R. C. Gillette, O. W. Parker, F. H. Field, S. E. Hays, W. A. Vogel, Regional chairmen: Sacramento valley, Oscar Steenus; San Joaquin valley, B. B. Smith; north coast, W. C. Hackmeier; south coast, H. S. Coburn; Nevada, J. B. Walden; bay counties, E. M. Northup.

Plan Special Programs at Mountain Field Club Meets

DENVER, Feb. 7.—A series of special addresses for the Mountain Field Club by prominent men from affiliated interests has been announced by President Roy G. Harris.

Speakers at the meeting Monday were Sergeant O. B. Lowe, in charge of the auto theft department of the Denver police, and Guy W. Shirley, special agent in charge of the mountain division of the Automobile Protective & Information Bureau. Sergeant Lowe discussed accessory losses, and announced he would present to the club at an early meeting a systematic plan for dealing with these losses. Frederic Williams, secretary Rocky Mountain Fire Underwriters Association, and President Frank England, Jr., of the Denver Association of Insurance Agents were present and both indicated a willingness to present Mr. Lowe's plan, as soon as completed, to their respective organizations with a view of seeking their cooperation.

Mr. Shirley explained the activities and purposes of his organization which he said had been responsible for saving 50 percent of the cost of theft insurance on automobiles.

The field club loss committee for 1934 as announced by President Harris includes M. W. Parker, Fireman's Fund; B. M. McDonald, Aetna Fire; Richard White, Liverpool & London & Globe, and H. B. Hickok, Merchants Fire of

Denver. President Harris is an ex-officio member of this committee.

Butler to West Virginia

D. S. Butler has been transferred by the National of Hartford from the southern New York field to West Virginia. He is succeeded in New York by J. K. Gifford, with headquarters at 85 John street, New York.

Mr. Butler started as a clerk in the home office brokerage department of the National and later was transferred to the New York City brokerage department, subsequently being sent into the New York suburban territory as a special agent.

Mr. Gifford has been connected with the National at the head office for six years.

L. S. Wallace, Jr., Shifted

L. S. Wallace, Jr., Jackson, Mich., special agent of the America Fore companies, has been transferred to Centralia, Ill., to cover southern Illinois. He succeeds R. L. Wallace, whose service with the group was terminated a few weeks ago. The two Wallaces are not related. L. S., Jr., is a son of the veteran L. S. Wallace, Sr., of Milwaukee, state agent of the Niagara Fire.

Van Iderstine in New Post

Noel Van Iderstine has been appointed special agent in western Pennsylvania for E. K. Schultz & Co., of Philadelphia, general agents for the Ohio Farmers and Millers National. Mr. Van Iderstine's headquarters are at 908 Columbia Bank building, Pittsburgh.

Mr. Van Iderstine formerly resided in Chicago and traveled in Wisconsin for the National Union. He was also connected with the Firemen's. He is a son of W. Van Iderstine, who for many years has represented the Northern of London in western Pennsylvania. The senior Van Iderstine also has headquarters at 908 Columbia Bank building.

Hague-Rogers Is Appointed

D. P. Hague-Rogers assumes the special agency of the Eagle Star & British Dominions and the Lincoln Fire of New York for western Pennsylvania and West Virginia, with headquarters in Pittsburgh. For six years he has been connected with the Eagle Star's United States headquarters in New York City, more recently being an examiner for a section of the territory that includes the states he will now travel. Before leaving to take his new post, he was the guest of his office associates at a dinner, being presented with a number of valuable works, as a nucleus of an insurance library. C. L. DeWitt, assistant United States manager, was toastmaster.

Dixie's Indiana Change

The Dixie Fire is withdrawing from the W. P. Ray Agency in Indiana and will hereafter be handled with the American group, of which J. A. Bawden is state agent.

Massachusetts Specials Elect

BOSTON, Feb. 7.—The Bay State Club, composed of Massachusetts special agents, elected the following officers at its annual meeting: President, H. W. Jones, Liverpool & London & Globe; vice-president, T. W. Keany, American of Newark; treasurer, F. C. Harlow, Fidelity-Phoenix; secretary, K. F. Akers, National of Hartford. Six fieldmen were elected to active membership.

Bridges at Ohio Splash

CLEVELAND, Feb. 7.—A dinner meeting and stag party of the Ohio Blue Goose was held here preceding the Ohio field club meetings. Walter Plangman, Cleveland, Ohio guardian, was in charge of arrangements. The meeting was the first held in Cleveland in three years.

L. H. Bridges, Chicago, Home of New York, most loyal grand gander, spoke on the international organization. Over

150 were present and over 20 new members were initiated. The Ohio pond is taking on new life and activity for the year. Members who dropped out in the past are coming back.

Pollard, Pilet at San Antonio

The San Antonio Blue Goose puddle at its regular luncheon meeting with H. M. Grant, welder, in the chair, had as out-of-town guests D. Maury Pollard, state agent Netherlands, and A. F. Pilet, president of the Republic of Dallas. Mr. Pollard talked on Blue Goose life insurance.

Kansas Blue Goose Luncheon

C. L. Zook, National Fire, was in charge of the Kansas Blue Goose luncheon Monday at Topeka. About 30 attended. R. V. Cherry, Western Adjustment, will preside next week. An invitation was read from the Nebraska pond to the Kansas members to attend a dinner dance in Omaha this month.

Hear About Wine Industry

The San Francisco Blue Goose was told about the wine industries of France and California at the luncheon meeting February 5 by Paul Verdier, president of the "City of Paris" of San Francisco and owner of large vineyards and wineries in France. W. E. Schoppe, National Automobile Theft Bureau, most loyal gander, presided.

Field Notes

The California Blue Goose, Los Angeles, held its annual formal dinner-dance with an attendance of approximately 50 couples.

R. M. Hall, former Kentucky field man and more recently an adjuster with the J. H. Harrison office, Louisville, has taken a similar post with the Western Adjustment.

R. E. Vernor, Western Actuarial Bureau, Chicago, will assist in the Michigan Fire Prevention Association's inspection of Benton Harbor and St. Joseph, Feb. 14.

Hearing on Proposed Iowa Probe

DES MOINES, Feb. 7.—Commissioner Clark was invited by the senate insurance committee to participate in a hearing on a resolution adopted by the Iowa house, authorizing a legislative investigation of the insurance department.

The resolution has to do with the merger of the Modern Brotherhood of America, Cedar Rapids, Ia., with the Independent Order of Foresters of Toronto, which has figured in previous "investigations" and in litigation still pending.

New Prospect Found for Registered Mail Cover

NEW YORK, Feb. 7.—A marine special agent tells this one. Calling on an agent in a small New Jersey town, he asked what were the possibilities of developing some marine business there. The agent shook his head decisively, saying there was none of it available. The special agent then ran through the list of marine coverages—motor truck cargo, fine arts, bailee's, customer's, etc. As each line was mentioned, the agent emphatically declared there was none of it to be had in that town. Finally they came to registered mail insurance. The agent's interest was piqued and he asked what this was for. The special agent replied that it covered shipments of currency, securities, etc., by mail. The agent's eyes brightened. "Put on your hat," he directed the special agent. "We are going places. I know the postmaster here real well and he'll buy one of those policies from me."

AS SEEN FROM CHICAGO

FARM INSURANCE IMPROVES

Farm underwriters covering the central west find that during the last five or six months there has been a decided improvement in loss ratio and general farm conditions. There is a better psychology in the rural sections. The farmers are in a more hopeful frame of mind and have been securing some of the government money for sacrifices they have made in crops. The companies on their part have been doing a large amount of selecting and underwriting and seemingly have gotten their business on a basis where they can overcome at least some of the great annual deficit that has been chalked up against this department of the business. Farm insurance has been a very discouraging line for many years. There is now a note of greater confidence being sounded.

* * *

LASHER AT HEAD OFFICE

C. D. Lasher, general manager of the Home in Chicago, has been called to the head office in New York for some special work, which will keep him in the east about a month.

* * *

FIRE PREVENTION STICKERS

The Western Underwriters Association, ever vigilant in the cause of fire prevention, is selling to members rolls of stickers on which appears a drawing of a smoldering cigarette and on which is inscribed: "Chaperone your cigarettes, they shouldn't go out alone." This was the slogan with which a Dallas school boy won a fire prevention contest some time ago. Members may attach these stickers to their own correspondence or may distribute them among agents.

* * *

FOUR OFFICIALS IN SOUTH

The official ranks of the North America in its western department are pretty nearly decimated these days, four of the executives being in various parts of the south. Western Manager C. R. Tuttle is at Winter Park, Fla. Associate Manager W. B. Flickinger is heading for St. Petersburg, Fla. R. V. Robinson, associate manager in charge of lake and ocean marine, is on a trip to Bermuda, where he is visiting relatives. W. S. Foster, associate manager, leaves Thursday for New Orleans. Mr. Foster is the well known use and occupancy expert and he is taking something of a busman's vacation, since he will give a talk on U&O before the Insurance Institute at New Orleans next week.

* * *

CHICAGO TELEPHONE DIRECTORY

The 1934 Insurance Telephone Directory of Chicago published by THE NATIONAL UNDERWRITER has been issued. This gives the telephone and office location of insurance people in the Insurance Exchange and those outside. It is a complete, up-to-date, easy telephone reference directory of Chicago insurance offices. The price of the book is \$1.

* * *

LAST YEAR'S AUTO THEFT RECORD

Automobile thefts in 1933, as reported by the Chicago automobile police detail, amounted to 27,891 and the recoveries were 24,457. This compares with 35,406 thefts in 1932 and 31,341 recoveries.

* * *

W. L. STEINMILLER DEAD

W. L. Steinmiller, who until about a year ago was assistant manager in the Chicago office of F. J. Sauter, Cook county manager for the Aetna Fire and New Hampshire, was found dead in his garage in the Rogers Park section of Chicago.

* * *

SHALLCROSS, MONROE AT MEET

C. F. Shallcross, United States manager North British & Mercantile, and

D. E. Monroe, assistant United States manager Commercial Union, were in Chicago Wednesday for the meeting of the governing committee of the Western Underwriters Association. Mr. Monroe was representing F. W. Koeckert, United States manager of the Commercial Union, at the meeting.

* * *

ESTIMATE 1933 SLUMP \$2,000,000

The last straggling returns on Chicago fire premiums for the fiscal year ended June 30, 1933, are being filed with the city controller's office. It is estimated that the 2 percent tax for the year fell approximately \$40,000 below the previous fiscal year, which indicates a slump of \$2,000,000 in Chicago fire premiums. This is much less percentage-wise than for the year ended June 30, 1932. The additional figures are:

Company	1933	1932	1931
*United Firem..	\$ 46,461	\$ 47,761	\$ 49,954
Rhode Island...	53,403	.....	.....
*Merch., R. I. ...	42,586	.....	.....
*Imper. Assur..	10,040	.....	.....
Birmingham ...	17,395	2,668	13,145
*Amer. Home...	1,931	18,530	5,963
*Amer. F. & M...	2,060	.....	.....
Merrimack M...	291	241	1,090
*Merch., N. Y...	150,006	199,139	156,243
*Incomplete.			

* * *

James I. Loeb of the Klee, Rogers, Loeb & Wolff agency, Chicago, is spending a few weeks in Florida and Benjamin Auerbach of the same organization is in Coronado, Cal.

* * *

R. E. Vernor, Western Actuarial Bureau, will address the west side forum of the Chicago Safety Council in Austin, Feb. 15.

NEW YORK NEWS

THROWS BURDEN ON FEBRUARY

Inasmuch as the National Board decided to change its rule as to payment of losses from 60 days after notice was received by the company to 30 days after date of fire, it will impose on companies the burden of paying two months losses in February. Some executives say that this is an inappropriate time to have the rule changed inasmuch as during the first three months of the year companies have unusual obligations in the way of taxes, fees, dividends, etc. Then during the first three months the losses are heavier on account of severe weather. Therefore February will show an abnormal amount of losses paid in the records.

* * *

WILL REVISE CLASSIFICATION

At the suggestion of the department, the New York Fire Insurance Rating Organization will revise its risk classification, rearranging rates in accord with the disclosed loss experience. The experience tabulated is in keeping with the record of the 26 risk classifications prepared by the National Board for the information for the states generally, plus five sub-divisions called for by the home department.

* * *

NEW YORK CITY FIRE LOSSES

Fire losses in New York City last year aggregated \$9,723,535, compared with \$17,947,791 for the preceding 12 months. The 1933 record was the lowest experienced in 15 years. Listed as to boroughs, Brooklyn contributed \$4,086,960; Manhattan followed with \$2,902,300; Bronx was third with \$1,305,485; Queens came next with \$1,269,585, while Richmond reported \$159,205.

The National Fire Protection Association reports that progress has been slow in Evansville, Ind., in improving conditions. One of the engineers met with the fire prevention committee of the chamber of commerce last month and plans were laid for a constructive campaign this year.

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FEDERAL RESERVE BANK BLDG.
KANSAS CITY, MO.

BRANCH OFFICE:
INSURANCE EXCHANGE
CHICAGO, ILL.

FRANK J. BUCHER, President

WM. F. KRAMER, Secretary

Organized 1865

THE

Reliable Fire Insurance Co.

DAYTON, OHIO

Surplus to Policyholders \$988,081

An independent Ohio Company with a record of more than 68 years of honorable dealing with Agents and Assureds

National Inspection Company

Incorporated 1903

This corporation reports on the underwriting aspects of heavy manufacturing and mercantile properties throughout the following states:

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Minnesota
Ohio

Indiana
Illinois
Iowa
Nebraska
Missouri

Kansas
Kentucky
Tennessee
Oklahoma
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H. B. Chrissinger
174 West Adams St., Chicago, Ill.

R. L. Thiele

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PERSONAL SIDE OF BUSINESS

Vice-president Harold Junker of Crum & Forster organization visited the Carolinas department at Durham, N. C., and on his return to the home office stopped off in Richmond for a brief visit with State Agent E. R. Booker.

Salem Hyde, Cincinnati, marine manager for the North America, and Mrs. Tarbell Patten of Chattanooga were married in Chattanooga recently.

J. Preston Thomas, Cincinnati service office of the North America, and Miss Ann Rogers Kennedy, Cincinnati, will be married in Stuart, Fla., Feb. 13.

I. J. Holmgren, special agent engineering department America Fore, Louisville, and Miss Jane Adair McGeehe of Louisville were married at Ashland, Ky., Saturday.

J. P. Buenemann of the public adjusting firm of Buenemann & Knapp of Chicago, who is well known to insurance people, last week had the sad mission of burying his daughter, Margaret Louise, 24 years of age, who had been ill 5½ years.

W. R. Dulaney, 78, senior member of the Dulaney, Johnston & Priest agency, died at his home in Wichita, Kan., Feb. 2, having been confined to his home for 4½ years. He went into the insurance business in 1907 with H. R. Johnston and a few years later assisted in founding of the Farmers & Bankers Life of Wichita, serving as a director for many years.

H. C. Taylor of Richmond, Virginia state agent of the Home of New York, underwent an emergency operation for removal of his appendix at a Richmond hospital. He was planning to leave for New York to spend a week at the home office of his company when he was rushed to the hospital for the operation. He had expected to visit his brother, C. G. Taylor, Jr., third vice-president of the Metropolitan Life, while in New York.

C. L. Gandy of Birmingham, immediate past president of the National Association of Insurance Agents, will give the historical address at the get-together dinner at the mid-year meeting at Louisville. Mr. Gandy formerly resided in Louisville and began his insurance career in that city.

Fred J. Grover, California special agent of the Fire Association, is at his home in Sacramento recovering from injuries received when his automobile crashed into a tree near Merced, Cal., Jan. 27. It is believed that Mr. Grover, making a long trip through the valley, dozed while at the wheel.

J. Y. Sheehy, resident adjuster at Salisbury, Md., for the Fire Companies Adjustment Bureau, was killed in an automobile accident while driving to his home in Cambridge, Md. For many years he was connected with the Fireman's Fund in Pennsylvania and Maryland. In 1927 he joined the General Adjustment Bureau as resident adjuster for the Eastern Shore of Maryland and part of Delaware.

Dowdell Brown of Atlanta, southern manager for the Commercial Union group, accompanied by Mrs. Brown, sailed Saturday from New Orleans on a trip to Panama.

Max Levi, president of the C. C. Shanklin Company agency of Cleveland, and president of the American Savings Bank of that city, died at his home after a year's illness. He started in the business 45 years ago with the late Charles Evarts, one of the founders of the Evarts-Tremaine-Flicker Company

of Cleveland. He later joined the late C. C. Shanklin and upon the death of Mr. Shanklin about 20 years ago, Mr. Levi obtained control. The Shanklin agency will continue under the operation of James R. Levi, son of Max Levi.

J. A. Melton, retired state agent of the farm department of the American of Newark and Mrs. Melton will celebrate their golden wedding anniversary Feb. 18 at their home in Kansas City. Mr. Melton was in the insurance business 50 years before his retirement in April, 1931, practically all of which time he spent with the American in Illinois and Missouri.

Carl H. Hallberg, for the past 3½ years vice-president of the Eastern Agency, Muskegon, Mich., who resigned that position to become Michigan state agent for the Caledonian, was guest of honor at a farewell banquet given by the Muskegon Association of Insurance Agents, of which he was president last year.

After a few days at the home office in Hartford, he will take up his new duties, working out of Detroit. Prior to 1930 he was in the field for the North British & Mercantile fleet for 14 years.

The testimonial dinner for J. T. Sharp, president of the Mill Owners Mutual Fire at Des Moines, in honor of the completion of his 50 years service in that company, was attended by more than 100. He was presented with a gold plaque by Miss Carrie Hampton, who has been employed in the company 34 years, and a painting, "The Old Mill," was presented by C. M. Reed, a director. The speakers were A. J. Utter of Chicago, Governor Herring and Commissioner Clark of Iowa, G. A. McKinney, Millers Mutual Fire of Alton, Ill., T. G. McCracken, president National Association of Mutual Insurance Companies; J. L. Coon, Mutual Fire & Tornado of Iowa; J. A. Gunn, Employers Mutual Casualty. E. L. Poor, American Mutual Alliance, was toastmaster.

Two sons of Mr. Sharp are connected with the company, they being J. T. Sharp, Jr., and L. K. Sharp.

D. M. Lynam, Illinois state agent for the American Alliance and Massachusetts F. & M., is in the Washington Boulevard Hospital, Chicago, undergoing treatment for arthritis. Last week his tonsils were removed. Mr. Lynam has been under the weather for some time now.

E. J. Rogerson, one of the leading Chicago brokers, died this week after an illness of some six months. He had been confined to his home for a long time and then went to the Presbyterian hospital for an operation. He was treasurer of the Episcopal diocese of Chicago and the Church Home for the Aged. He was one of the prominent Episcopal laymen in the diocese. He resided at LaGrange, the funeral services being held at Emanuel Episcopal church there.

Commissioner H. E. McClain of Indiana underwent a minor operation in a hospital at Indianapolis Saturday and will be kept away from his office for some days.

R. Bryson Jones, chairman of the board of R. B. Jones & Sons, Kansas City, Mo., has been singularly successful in the development of his hobby of many years—globe trotting with a 35-millimeter movie camera. Whenever Mr. Jones takes an afternoon off it means golf, but a day off means a travelogue taken in some city within a night's journey, and four months off means a trip around the world or a thorough criss-cross of one of the continents.

Danger in Government Operation

THE evils inherent in any state monopoly and politically controlled enterprise appear to be cropping out in Ohio's state workmen's compensation fund, the father of which was JAMES M. COX of Dayton, former governor and presidential candidate. Now Mr. COX has been appointed chairman of the committee to investigate his own charges that millions have been embezzled from the fund by padded payroll reports and fraudulent accident returns. Mr. COX has suggested to the governor that a complete examination of the industrial commission be made.

It is charged that the fund is defrauded by dishonest employers in col-

lusion with the employees of the industrial commission, in the padding of payroll reports and especially since the depression there has been constant complaint of malingering on the part of beneficiaries of the fund. For the past two years it has been necessary to increase the assessments made and there has been much criticism on the ground that accidents reported were not bona fide. One estimate is that holding out on payrolls, largely in the contracting business, has amounted to as much as \$5,000,000. While occasionally some figures are published regarding the fund nothing like a complete statement has been published for some years.

Why the State Fund Grows

MANAGER SMITH of the NEW YORK STATE COMPENSATION FUND does considerable strutting in reporting that last year the fund acquired more new business than in any previous year in its history. "It is conclusive evidence that business executives today are analyzing their insurance liability cost more critically than in the past," he states, "and are convinced of their need for the security guaranteed by law in the state fund's insurance."

MR. SMITH does not mention that many employers were more or less forced into the state fund by the action of the labor department of New York state in raising the deposit requirements of compensation self insurers. This demand came at a time when payrolls were down and self insurers did, indeed, find that on a lower payroll basis, it was cheaper to join the state fund than to put up the increased deposit, which was demanded by another state department.

The Underwriting Profit Anomaly

ALTHOUGH the statements from fire companies that are being published show remarkably good results, the business should not be too much impressed with the size of the underwriting profit item. A fact which is difficult for those not acquainted with the insurance setup to comprehend, is that in lean years the companies may show an underwriting profit, while in prosperous years there is an underwriting loss.

Last year, most of the companies are reporting a trading profit, which is the excess of income over disbursements. But the writings of most of the companies decreased and consequently there was a decrease in premium reserve to add to the trading profit in figuring un-

derwriting profit. When business picks up again, the funds that were taken down from premium reserve will have to be replaced before the companies can begin to count real profit. In a sense, the taking down of premium reserve is comparable to a man drawing upon his savings account for current expenses. He must replace what he has withdrawn to get back on solid ground.

Ordinarily, the increase or decrease in premium reserve is not an important factor, but in the years when there is a rapid increase in new business or a sharp decline, the item of underwriting profit presents a strange aspect to those who do not understand how that figure is arrived at.

4 DROP 15 FLOORS IN AN ELEVATOR

Back of One Man Is Broken
—The Others Escape With
Twisted Ligaments.

FALL TOOK 'SPLIT SECOND'

But 'Lot of Things Shot Through
My Mind,' Says Employee of
55th St. Apartment.

Four employees of the fifteen-story
apartment house at 145 West Fifty-
fifth Street dropped from the four-
teenth floor to the basement in an
elevator at 3 o'clock yesterday
afternoon when something went
wrong with the mechanism.

Walter Barton, building superintendent,
was operating the lift
when he was seriously injured. His
both legs were broken, and he was
unable to move.

**Elevator Liability
Insurance not only
provides indemnity
but prevents accidents
through expert
inspection service.**

PROVED BY THE ACID TEST OF TIME

The AMERICA FORE GROUP

THE CONTINENTAL INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
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Eighty Maiden Lane,



of Insurance Companies

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY
ERNEST STURM, Chairman of the Board
BERNARD M. CULVER, President.

New York, N.Y.

NEW YORK CHICAGO SAN FRANCISCO

ATLANTA DALLAS MONTREAL

FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Palmer Queries Delinquents

Illinois Agents and Brokers in Arrears as of Jan. 1 Are Asked Reason for Indebtedness

Insurance Director Palmer of Illinois has sent a communication to agents and brokers, who were listed as more than 90 days delinquent in the Jan. 1 reports to the department on the part of companies, inquiring as to the reason for the delinquency and requesting a statement as to what the delinquent proposes to do toward the liquidation of his indebtedness.

Mr. Palmer states the department is not acting and does not intend to act as a collection agency, but it views with disfavor and concern the extension of credit to agents and brokers beyond the period wherein uncollected balances are admissible as assets of the insurers.

How Balances Are Viewed

"Uncollected balances," the communication states, "are factors considered in determining the financial stability of insurance organizations and as a result are taken into consideration in passing upon applications for license to operate in Illinois. They are further considered in connection with any application made by an individual, partnership or corporation for qualification to act as an agent or broker under the insurance licensing act of this state."

Mr. Palmer recalls the resolution adopted by the National Convention of Insurance Commissioners recommending that the various states quarterly call for reports of agents and brokers more than 90 days delinquent. In accordance with that recommendation Mr. Palmer required the companies to file a sworn statement as of Oct. 1, 1933, and quarterly thereafter, the second report having been due Jan. 1.

The Illinois department required the name and address of each agent and broker in arrears in payment of balances due on policies issued on Illinois risks more than 90 days prior to the date of the statement; the amount due from the agent or broker on such policies and the dates on which the various items of indebtedness were incurred.

Surcharge Tax Ordered in Minneapolis and St. Paul

The 2 percent surcharge tax on fire, lightning and sprinkler leakage premiums, recently authorized for Minnesota cities of the first class, by the legislature of that state, for the benefit of the firemen's relief associations, whose special funds fall below \$300,000, has been declared effective in Minneapolis and St. Paul by Commissioner Brown as of Feb. 6. The balance in the Minneapolis firemen's relief fund is only \$62,188 and in St. Paul it is \$157,776.

The insurance companies are directed to pay the surcharge tax collections to the state treasurer in semi-annual installments June 30 and Dec. 31.

C. J. Lund, manager of the General Inspection Bureau, in a letter to members, states presumably the tax does not apply to automobile fire and theft or inland marine premiums.

The agent is not permitted to absorb the tax and he must enter the amount of the surcharge as a separate specific notation on the face and filing back of each policy. In the event of cancellation, the return of the surcharge tax portion will be on the same basis

as the return premium. Mr. Lund suggests that separate columns be set up in the account current so that the amount of the surcharge collected or refunded will be reported separately.

Wisconsin and Illinois May Combine Against Wildcats

MADISON, WIS., Feb. 7.—Commissioner H. J. Mortensen has been asked by Illinois officials to cooperate in preventing sale of insurance by companies not licensed to operate in the states in which the insurance is sold. Mr. Mortensen recently issued a strong warning to persons in the state regarding the purchase of insurance from unauthorized companies seeking to do business in the state through either personal representatives, or by mail. At that time he issued a list of a large number of companies not authorized to do business in Wisconsin and who he said were making solicitations.

The Illinois letter said many so-called "benevolent" societies compelled to cease operations in Wisconsin through activity of the Wisconsin insurance department, have located in Illinois and are making drives for members in Wisconsin as well as in Illinois. The letter also said the probate clause in these companies' insurance certificates has been declared contrary to Illinois insurance laws by a circuit court.

Mr. Mortensen will tell the Illinois officials that solicitation by companies not licensed to do business in Wisconsin will be prevented in this state. It is probable he will recommend a joint movement in states for a rigid law preventing insurance companies soliciting business by mail in states in which they are not licensed to do business.

Sheboygan Board Launched; Calhoun and Grundle Speak

SHEBOYGAN, WIS., Feb. 7.—Gerry Pauly, Pauly Insurance Agency, has been elected president of the newly organized Sheboygan Board. Ralph E. Clarenbach, Clarenbach Insurance Agency, is secretary. At the organization meeting, all agents in this city and immediate vicinity were invited to hear talks by W. B. Calhoun, president, and J. G. Grundle, secretary-treasurer Wisconsin Association of Insurance Agents. Both speakers described a local board as a necessity to handle local matters of mutual interest, and urged that the Sheboygan agents affiliate with the state and National associations to obtain benefits of the larger organizations.

Mr. Calhoun, a past president of the National Association of Insurance Agents, said a well organized local board that functions properly helps make a better state association and a stronger national organization. Local boards, he said, that do not cooperate with state and national bodies, are like a boat without a rudder and do not have the advantage of calling upon the larger organizations in case of a "storm." The local board voted to affiliate with the Wisconsin and National associations.

In addressing guest-agents and urging them to join the local board, Mr. Calhoun pointed out that many non-member local agents are riding along free on the efforts of those agents who are contributing their time, money and energy in building up and carrying on the work of local, state and national organizations. He said every agent owes

his moral and financial support to the groups that are working for the agent's best interests, making each a better agent and elevating the standards of underwriting.

A resume of the NRA code was given by Mr. Grundle, who told of the action of the National Association in connection with the code.

Vernor to Make Addresses

Under the auspices of the Wisconsin industrial commission, R. E. Vernor of the Western Actuarial Bureau will speak before the vocational school of Beaver Dam, Wis., Feb. 16. This is one of a series of addresses Mr. Vernor is giving in different Wisconsin cities on fire safety and fire prevention.

Index for Ohio Rule Book

CLEVELAND, Feb. 7.—The forms committee of the Cleveland Board of which J. G. Hale is chairman, has prepared an index to the Ohio Inspection Bureau rule book, with the approval of Manager T. B. Sellers. The rule book has been badly in need of the revised index for some time. The Insurance Board has had the index printed on perforated blue sheets suitable for insertion in the rule book and is selling it to members at cost.

New Strubinger Branch

The Bert E. Strubinger Claim Department has opened its third branch office at 1006 Commerce building, Kansas City, Mo., in charge of A. L. Engler.

This office services a territory of 150-mile radius, which includes a portion of Kansas and Nebraska and is equipped to give all claims prompt service.

The Strubinger organization, handling claims of all types, has developed from a one-room, one-man organization to its present state, the main office in St. Louis occupying ten rooms in the Chemical building, with branch offices located at Kansas City, Springfield and Cape Girardeau, Mo.

Mr. Strubinger plans to open a branch at Quincy, Ill., within a month.

Plan Local Board Drive

WICHITA, Feb. 7.—Duane T. Stover, president Kansas Association of Insurance Agents, reports that plans are completed for the Kansas local board campaign Feb. 16. Under the plan suggested by G. T. Fisher, Salina, chairman of the local board committee, each of the present 16 local boards in the state will hold a meeting with an adjoining city on that date in an effort to organize 16 new local boards. Some of the meetings will be at luncheon and others dinner meetings. The Wichita Insurers will meet with the Newton Board, organized last year, which has not affiliated with the state association.

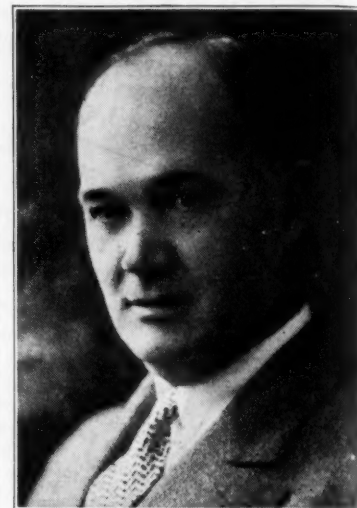
Cites Countersignature Rule

The attention of companies has been called by Insurance Director Palmer of Illinois to the fact that all policies, including fidelity and surety bonds, issued to cover any risk within Illinois, shall be countersigned by an agent licensed in Illinois. The companies are asked to advise whether they are observing this rule.

Corn Business Distributed

LINCOLN, NEB., Feb. 7.—C. U. Hendrickson, Nebraska state agent for the Home, says that fire companies other than those which were given a monopoly of the business connected with government corn loans are getting nearly half of the business since the banks have waked to the opportunity offered of loaning their surplus funds at 4 percent on paper the government will take any day at par. Nearly half of the \$12,000,-

On Fourth Term



CLYDE B. SMITH

LANSING, MICH., Feb. 7.—Clyde B. Smith, former president of the National Association of Insurance Agents, who also headed the state association for two terms, has been reelected president of the Lansing association. It will be his fourth term as head of the local board, as he served two terms in that capacity before his elevation to state and national offices.

A. A. Smith, no relative or associate of Clyde's, is vice-president. Ray Throop was reelected secretary-treasurer. Executive committeemen are Carl Trager, Bailey Real Estate, Inc.; Ralph Goodell, Dyer-Jenison-Barry Company and Lansing Insurance Agency, and J. P. Kittle.

Initial plans were made for the mid-year convention of the Michigan association Feb. 16. This one-day business session will be held at the Hotel Olds, with a meeting of the governing committee the previous evening. Luncheon and dinner sessions are planned, with executive sessions of association members occupying the entire day.

000 total loans so far made in Nebraska are held by banks, and Mr. Hendrickson estimates insurance of four millions on the corn was sold during January by companies outside the government combination, with February promising even more. In Iowa almost twice as much business has been done because of the larger volume of loans.

Cleveland Meeting Feb. 12

CLEVELAND, Feb. 7.—The Cleveland Board is trying out an innovation in scheduling its annual meeting Feb. 12 at night instead of at noon. President C. O. Ransom will preside and give his report. Chairmen of the several committees will also report. Three trustees will be elected at this time.

Fifty-year Testimonial

A testimonial dinner in honor of Henry W. Meeker, Franklin, O., was given last week by companies represented in the Meeker & Meeker agency at Franklin. The banquet commemorated Mr. Meeker's 50th anniversary in the insurance business.

He started in business in 1884, representing the Union of Philadelphia. Shortly after this he was appointed agent for the Cincinnati Underwriters which he has represented ever since. B. Gates Dawes, Jr., president of the Eureka-Security, which now issues the Cincinnati Underwriters policy, acted

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Organized 1855

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THE GIRARD FIRE AND MARINE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1853

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THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA

\$ 600,000.00

Organized 1854

NEAL BASSETT, President
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 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$ 1,000,000.00

Organized 1866

NEAL BASSETT, President
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 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

SUPERIOR FIRE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1871

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 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE

\$ 1,000,000.00

Organized 1870

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 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE CAPITAL FIRE INSURANCE COMPANY

\$ 300,000.00

Organized 1886

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 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

UNDERWRITERS FIRE INSURANCE CO. OF CONCORD, N. H.

\$ 100,000.00

Organized 1905

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 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

MILWAUKEE MECHANICS' INSURANCE COMPANY

\$ 2,000,000.00

Organized 1852

NEAL BASSETT, Chairman of Board
 J. SCOFIELD ROWE, Vice Chairman
 H. S. LANDERS, President J. C. HEYER, Vice President WINANT VAN WINKLE, Vice President JOHN R. COONEY, Vice President
 E. G. POTTER, 2d Vice Pres. E. R. HUNT, 3d Vice Pres. S. K. McCLURE, 3d Vice Pres. T. A. SMITH, Jr., 3rd Vice Pres. F. J. ROAN, 3d Vice Pres.

THE METROPOLITAN CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1874

NEAL BASSETT, Chairman of Board
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 E. G. POTTER, 2d Vice Pres. T. A. SMITH, 3d Vice Pres. FRANK J. ROAN, 3d Vice Pres. E. R. HUNT, 3d Vice Pres. S. K. McCLURE, 3d Vice Pres.

COMMERCIAL CASUALTY INSURANCE COMPANY

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Organized 1909

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 MASSIE & RENWICK, Ltd., Managers

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PACIFIC DEPARTMENT
 220 Bush Street,
 San Francisco, California
 W. W. & E. G. POTTER, 2nd Vice Presidents
 FRED W. SULLIVAN, Secretary
SOUTH-WESTERN DEPARTMENT
 912 Commerce St., Dallas, Texas
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as toastmaster. Mr. Meeker was given a bag as a token of his long connection with the insurance business.

Many congratulatory telegrams were read. About 20 insurance men attended. A son, F. O. Meeker, is active in the agency.

Consider Service Charge

ST. LOUIS, Feb. 7.—The Fire Underwriters Association of St. Louis and the Association of Fire Insurance Agents & Brokers of St. Louis, Mo., are considering placing a \$1 service charge on all endorsements of policies not involving a return of premium or an additional premium.

The matter is being studied by the constitution and by-laws committee of the Fire Underwriters Association and a special committee of the Association of Agents & Brokers. If put into effect, the service charge would be binding on members of both bodies.

Starts Embezzlement Sentence

R. J. Tombridge, president of the Tombridge Agency of South St. Louis has begun serving a 10-year term for embezzlement from the agency. The agency collapsed recently with estimated losses of more than \$350,000 to its clients.

Wolff Invited to Marion, Ind.

A regional meeting of the Indiana Association of Insurance Agents is to be held at Marion, Feb. 19. Allan I. Wolff of Chicago, president of the National Association of Insurance Agents, has been invited to address the meeting and he will probably arrange to appear.

Twin City Agents Endorse Code

ST. PAUL, Feb. 7.—Insurance men of the Twin Cities have gone on record as endorsing the action of the National Association of Insurance Agents in drafting and filing a code of practice for the business. The action was taken at a joint meeting of the Insurance Exchange of St. Paul and the Minneapolis Underwriters Association at which the proposed code was explained by C. F. Liscomb, Duluth, national executive committeeman. There was a round table discussion of the subject and a divergence of opinion on the merits of the code. The latter was not specifically endorsed by the meeting.

Claims Companies Owned Agency

OMAHA, Feb. 7.—On the ground that the National Security and Concordia Fire really owned 95 percent of the Shea-Dross Agency of Omaha, under an agreement entered into in 1928 by which those companies were to have all the acceptable business of the agency until they had collected \$15,000 due as agent balances, Louis Naeve has taken to the supreme court an action to recover \$8,750, the amount of insurance he placed with the agency prior to a loss.

The district court here threw the case out of court as not charging a liability. The two companies named had cancelled the policies, and the agency put the business, through a New York broker, in three companies at Huron, S. D., which were not licensed in Nebraska and which were out of business when Naeve suffered his loss. The agency is a party defendant.

Wichita President Resigns

WICHITA, Feb. 7.—A. E. Smoll, serving his second term as president of the Wichita Insurers, has resigned to give more time to his agency. Pending election of a new president, Howard Snyder of Smith, Stone & Snyder, vice-president and chairman of the executive committee, is acting president.

The following resolution recommended by the executive committee was adopted at the last meeting: "Ethical practice, in both agency and loss service, is to refrain from expressing any opinion in

regard to the handling of a loss on any policy not written in your own agency." A uniform method of indicating the rate and charge for municipal license tax on Wichita fire policies was also adopted. Most of the meeting was devoted to an open forum discussion led by Howard Snyder.

Mortgagee Must Pay Premium

The North Dakota supreme court entered judgment for an agent against a mortgagee, which refused to pay the premium on a policy, which the mortgagee did not pay, and which the mortgagee's estate has not paid, since his death. The case was Baker vs. Fargo Building & Loan Association.

The plaintiff is Roy T. Baker of the well known Baker Insurance Agency at Fargo. The court held that the mortgagee requires the mortgagee to insure the property in companies approved by the mortgagee and the record shows that the policies, with the mortgage clause attached, were delivered to the mortgagee when issued and in possession of the mortgagee at all times, so the mortgagee would be bound because the mortgage clause was brought home to him by the delivery of the policy.

Crandall in New Agency

DETROIT, Feb. 7.—A. G. Crandall has resigned as resident vice-president of Marsh & McLennan to join N. A. Peters and F. H. Hamel in a new agency known as Crandall-Peters-Hamel Company. It will succeed Peters, Hamel & Co. and will take over the general agency for the Fireman's Fund Indemnity, formerly represented by that agency.

Mr. Crandall was associated with

Marsh & McLennan and its predecessor, the S. S. Glass Corporation, for 17 years and is a past president of the Detroit Association of Insurance Agents. Messrs. Peters and Hamel were formerly with Gillespie & Suliburk, now known as George M. Suliburk, Inc., forming their own agency 18 months ago. The space occupied by the agency at 1570 Penobscot building will be doubled.

Ohio Mutual Meetings

The Ohio Mutual Tornado, Cyclone & Windstorm Association and the Ohio Federation of Mutual Insurance Associations will hold their annual meetings in Columbus Feb. 19-20.

Agency Entertains Field Men

The Wassam Insurance Agency, Coffeyville, Kan., entertained the field men of companies in the agency with a dinner. Field men attending were H. O. McIntosh, Frank Scott, W. E. Ellis, T. M. Burford, F. B. White, Carl Bailey and Howard Searle.

MIDDLE WEST NOTES

W. H. Butts, 74, for 40 years a local agent at Lebanon, Mo., is dead.

The Nebraska Fire Prevention Association will inspect Tekamah Feb. 9.

The Iowa Fire Prevention Association inspected Clarinda Feb. 7.

Ben LeBaron, adjuster for the Western Adjustment, broke his leg when he fell recently while inspecting a building at Moberly, Mo.

P. S. Weeks, 60, local agent at Lyons, Wis., and formerly of Lake Geneva, died at his home from heart disease.

IN THE SOUTHERN STATES

Florida Convention Date Set

Agents' Annual Meeting to Be Held in Miami, April 12-13—Consider Dummy Agencies, State Rulings

WEST PALM BEACH, Feb. 7.—The directors of the Florida Local Underwriters Association, in session here, voted to have the annual convention at the Miami Biltmore hotel, Miami, April 12-13. The meeting took cognizance of the dummy general agency situation, with decision to go the limit to take care of it. A committee was named to revise the by-laws, with Mitchell Stallings of Tampa, chairman.

The ruling of the attorney general that nothing can be done about company failure to observe the resident agents law in government casualty and surety coverage in Florida risks, and a feeling that agents who can not be controlled will continue to supply countersignatures for less than the commission due, forces the conclusion that something must be done to protect the agent who is trying to do a legitimate business.

"We find that this situation is creating a fearful lot of overhead writing and the fact that we seem not to be able to control it is weakening the morale of a lot of people who might otherwise stand pat," said President W. P. Fischer.

President Fischer, referring to the ruling of the attorney general that state owned properties can not be insured in mutuals because of constitutional inhibition, says that the position is the same as to municipal and county owned property. That is to say, public owned holdings of any and all kinds are restrained from mutual insurance coverage.

Insurance Queries Candidates

BIRMINGHAM, ALA., Feb. 7.—Alabama's three candidates for governor are being lined up as to where they stand on the insurance business. The three candidates are Judge Leon McCord of Montgomery, Frank Dixon,

Birmingham attorney, and former Governor Bibb Graves. Judge McCord has announced that "he believes the present insurance laws are inadequate and favors new acts designed to meet 20th century conditions." Mr. Dixon has let it be known that he would abide by the wishes of the insurance organizations in the appointment of an insurance commissioner. Former Governor Graves has made no announcement in reference to the insurance business.

Both fire and life insurance men are being urged by their associations to take an interest in the election of members of the legislature. Several local agents over the state will be candidates for the legislature, including Ed H. Moore and Maurice Walsh of Birmingham.

Reports 100 Percent Increase

Hugh Sloan & Co., San Antonio general agency, reports an increase in business for 1933 of 100 percent over 1932 and 100 percent increase for January, 1934, over January, 1933.

Place County Line in Birmingham

BIRMINGHAM, Feb. 7.—Two local companies, the Birmingham Fire and the Bankers Fire & Marine, shared equally in the placing of \$938,075 of fire insurance by Jefferson county, in which Birmingham is located. A committee from the Birmingham board, headed by Frank Lynch, handled the distribution of a 20 percent commission equally among all agencies doing business in the county, about 130 in all. The county schedule was cut from \$1,200,000, which was placed three years ago with all stock companies having agency representation in the county.

Lauds Companies' Action

J. D. Saint, manager North Carolina Association of Insurance Agents, has sent a bulletin to members, endorsing the action of the National Board in recommending deferring loss payments 30 days, instead of 60 days, and asking agents to support the companies to the

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utmost in handling losses under this provision. Agents, he said, should inform the adjuster if they have any information concerning a fire or if there is any reason to question the origin of the fire or the truthfulness of the claim.

Mr. Saint points out 20 days are usually required to report, investigate and prove loss values and the remaining ten days are necessary for clerical detail in preparing, mailing and delivering the loss draft.

Gentry Would Revise Laws

LITTLE ROCK, Feb. 7.—Commissioner U. A. Gentry favors recodification of the state's fire insurance laws to permit appraisal of property when insured and a limit of 75 percent on loss payments, he said in an address to a Little Rock luncheon club. He also favors repeal of the law imposing a penalty on insurance companies unless settlement is made within a specified time after claim is filed.

Kentucky Agents' Bills

Two bills backed by the Kentucky Association of Insurance Agents, one providing for the licensing of agents and the other to amend the anti-discriminatory laws, have been introduced in the legislature. The latter bill would prevent certain forms of rate making that have been used by insurance companies, more particularly in writing fictitious fleets.

To Aid Auto Theft Drive

OKLAHOMA CITY, Feb. 7.—The Associated Fire & Casualty Underwriters of Oklahoma City voted to cooperate with the police force in an effort to eliminate or at least reduce the large number of thefts of automobile parts and accessories. C. A. Payne of the Hartford was speaker of the day.

Would Amend Appraisal Clause

RICHMOND, Feb. 7.—A bill has been introduced in the Virginia legislature to amend the appraisal clause in the standard fire policy. It provides that the insured shall be given the option of bringing court action to recover damages if he and the company are not able to reach a satisfactory adjustment. Under the policy contract it is required that in that case the adjustment shall be left to appraisers and that their findings shall be binding upon both the insured and company.

Hines on Texas Trip

H. F. Hines, joint manager of Crum & Forster, Atlanta, has been visiting Crum & Forster representatives at Houston, Dallas and San Antonio, Tex.

Arkansas Losses Low

Arkansas' January fire loss was \$190,455, compared with \$492,240 in January, 1933, and \$439,660 in January, 1932.

News of Pacific Coast States

Factory Association Elects

E. T. Cairns Continued as President of Pacific Coast Group at Its Annual Meeting

SAN FRANCISCO, Feb. 7.—Excellent progress was made the past year by the Pacific Factory Insurance Association, according to the report submitted by Manager Walter Van Orden at the annual meeting.

E. T. Cairns, vice-president Fireman's Fund, was reelected president; T. H. Anderson, Liverpool & London & Globe, and J. C. Dornin, Springfield Fire & Marine, vice-presidents; Joy



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Lichtenstein, Hartford, treasurer; A. T. Bailey, North British group, secretary, and Clifford Conly, Great American and Phoenix of Hartford, chairman executive committee. Mr. Dornin succeeds Edwin Parrish, who retired last year. All others were reelected. It is expected Mr. Anderson will resign shortly after March 1, when he retires from active business.

Members of the executive committee elected are C. E. Allan, Goodwin & Allan; A. M. Brown, Sr., Edward Brown & Sons; R. H. Griffith, Glens Falls; McClure Kelly, North America; A. L. Merritt, America Fore, and H. F. Mills, Aetna Fire.

Regional Meet in Los Angeles

LOS ANGELES, Feb. 7.—The California Association of Insurance Agents first 1934 regional conference in southern California was held here this evening. H. G. Bobey, regional chairman for the eighth district, directed the meeting, which was featured by addresses by C. T. Buckman, president of the association, and Frank C. Colridge, executive secretary. Members of the Insurance Exchange of Los Angeles were present in a body and the meeting was well attended.

Losses Drop, Business Better

Frank Lum of the National Board, addressing the annual conference of the Southern California Fire Chiefs Club at Glendale, asserted that economic trends can be forecast by fire loss statistics and that business is now entering a period of sharp improvement. Citing figures gathered from 70 years observation of fire loss statistics from all parts of the country, he declared that fire losses always increase during periods of depression, and decrease as business improves.

Cartwright Named General Agent

The Provident Life & Accident has appointed R. G. Cartwright general agent at Santa Ana, Cal. Mr. Cart-

wright operates a successful local agency and is a big personal producer in the life department. George Faires, a successful producer and secretary of the Orange County Association of Life Underwriters, will be associated with Mr. Cartwright.

Cravens, Dargan & Fox Move

San Francisco offices of Cravens, Dargan & Fox, the general agency firm resulting from the recent consolidation of Cravens, Dargan & Co., and Fred S. James & Co., are being moved to the Bush street side of the second floor of the Adam Grant building, 114 Sansome street.

Opens New Los Angeles Office

New quarters in Los Angeles have been established in the Fidelity building by R. R. Chapman, manager of the Pacific Coast department of Corroon & Reynolds, in charge of C. E. Gale, who recently succeeded C. C. Clark as state agent for the group. He was formerly special agent in southern California territory.

Gardner Talks to Women

Harold Gardner, Pacific Coast manager of the inland marine and all risks department of the Commercial Union group, addressed the East Bay Association of Insurance Women Feb. 5 on "The Origin of London Lloyds." Mrs. Florence Parrott, president of the association, presided.

Pacific Coast Notes

George F. Billings, veteran local agent at Ashland, Ore., died in his 84th year. The business will be continued by his son, George.

J. P. Bates has purchased the interest of R. J. Chrisman in the Chrisman & Oliphant Insurance Agency, Portland, Ore., which hereafter will be known as Oliphant & Bates.

The Ensign-Kenning Company, Beason building, Salt Lake City, Utah, has been incorporated with A. H. Ensign as president; D. G. Kenning, vice-president, and F. H. Ensign, secretary-treasurer.

EASTERN STATES ACTIVITIES

Coinurance Clause Waived

Use of Words "Non-Contribution" in Standard Mortgage Clause Exempted Mortgagee from Coinurance Penalty

Use of the ordinary standard mortgage form with the insertion, however, of the term "non-contribution," exempts the mortgagee from the operations of the coinurance clause. This was the decision of the United States district court for the eastern district of Pennsylvania in Pennsylvania Company for Insurances on Lives & Granting Annuities vs. Ohio Farmers. The clause read: "Mortgage clause (non-contribution) loss or damage, if any, under this policy, shall be payable to," etc.

Constitutes Plain Declaration

In the court's opinion, the addition of the word "non-contribution" indicates an intention on the part of the parties to exclude the mortgagee from the operations of the coinurance clause and should be given that effect. When the parties came to attach the standard mortgage clause to their policy they must be presumed to have known what was the law—viz., that they were making a new contract. They had the right to decide for themselves what provisions of the policy were applicable and what not. They can do it by two words as well by a whole paragraph and when they wrote at the head of this clause the word "non-contribution" it was a plain declaration that for the purposes of the contract for this mortgage the coinurance clause did not affect the mortgagee's rights.

New Jersey Agents to Meet

Midwinter Gathering of the Local Men Will Have Some Important Speakers at Trenton

Scheduled speakers at the semi-annual meeting of the New Jersey Association of Underwriters, to be held at the Stacey Trent Hotel, Trenton, Feb. 21, include a representative of the First Banccredit Corporation, who will explain its method of financing insurance premiums; an official of the National Association of Insurance Agents; G. W. Nixon, superintendent of agencies of the Marine Office of America of New York City, who will tell of the various types of coverage written under marine forms, and another yet to be chosen. President W. G. Hurtzig and Secretary C. S. Stults will each present brief reports, covering the important happenings affecting agents in the past six months.

Additional Speakers for Pittsburgh Day Announced

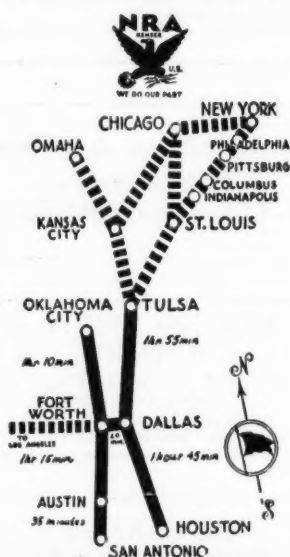
Otho E. Lane, president of the Fire Association, will be among the speakers on the insurance day program of the Insurance Club of Pittsburgh, Feb. 9, according to announcement by C. H. Bokman, general chairman.

Another speaker not previously announced will be A. C. Spottke, National Bureau of Casualty & Surety Underwriters, whose subject is: "Legal and underwriting aspects of the Pennsylvania uniform automobile liability security act."

The previously announced speakers

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are William Quaid, vice-president of the Southern Fire, E. M. Allen, executive vice-president National Surety and Harold R. Gordon, executive secretary Health & Accident Underwriters Conference.

Favor Modifying Statement

BOSTON, Feb. 7.—The joint Massachusetts legislature insurance committee has reported favorably on a bill to eliminate the exhibit of risks and premiums now required on annual statements of fire and marine companies. C. L. Allen, representing the National Board, favored the measure. The house has passed the bill.

Oppose Temporary Licensing

BOSTON, Feb. 7.—A lively hearing developed before the joint committee on insurance of the Massachusetts legislature over a bill proposing to allow prospective agents to go out and solicit business under temporary licenses pending their examination and formal licensing by the insurance department. Commissioner M. L. Brown stated the measure would defeat the agents' licensing law. Representatives of agents organizations and others opposed the bill.

Philadelphia Firms Revamped

The well known insurance offices of Henry W. Brown & Co. and Brown, Crosby & Co. of Philadelphia have been dissolved. There has been a reorganization, a new form of Henry W. Brown & Co. having been formed as well as a corporation known as Towers, Perrin, Forster & Crosby.

The new Henry W. Brown & Co., which formerly transacted exclusively an agency business, will now conduct both an agency and brokerage business, continuing at 435 Walnut street.

Brown, Crosby & Co. of New York is not affected. A. U. Crosby retires from the Philadelphia concern, but continues as president of Brown, Crosby & Co., of New York.

Members of the new Henry W. Brown & Co. office are: H. I. Brown, H. R. Ruhl, Samuel Potter, W. G. Jones, H. K. Seal, H. D. Booth and F. J. Wise.

Those in the Towers, Perrin, Forster & Crosby concern are: W. J. Chase, A. U. Crosby, H. W. Forster, C. C. Perrin, J. A. Towers and H. P. Weaver. After March 1 this concern will move to 12 South 12th street, Philadelphia.

Confer on Bridge Cover

PHILADELPHIA, Feb. 7.—The Delaware River Joint Bridge Commission will take out whatever insurance the government demands on the Delaware River bridge, according to a member of the commission. The Public Works Administration is demanding that two policies for \$47,000,000 be taken out on the bridge—an all-risk coverage and a use and occupancy policy covering the bridge earnings. The bridge commission is now conferring with the PWA in an effort to get the amount of the policies reduced. The premium for the \$47,000,000 policies is said to be close to \$120,000 a year. It is said that the bridge commission had planned on the premium running around \$20,000 a year. Should the commission be successful in cutting the amount down to \$10,000,000, the premium will be about \$30,000.

May Advertise Warnings

BOSTON, Feb. 7.—The Massachusetts legislature has passed a bill empowering the commissioner of insurance to advertise warnings to the public of the activities of unlicensed insurers who may try to do business in the state.

Seeks New Jersey Agents' Data

As president of the New Jersey Association of Underwriters W. G. Hurtzig of Morristown asks that each member supply him with particulars regard-

ing the character of his insurance business and other data. In urging early compliance with his request Mr. Hurtzig says in part: "The day is not coming, it is here, when we can only hope to maintain by organized and unified endeavor our position as part of a system of producing insurance premiums." The information sought relates to the business and political associations of the recipient; the percentage of his total business represented by fire and by casualty lines; the number of his employees and the names of companies represented in the agency.

Drop Self-Insurance Plan

BRIDGEPORT, CONN., Feb. 7.—After operating for a year under a plan of self-insurance involving a sinking fund, city officials here have decided to return to a blanket form of fire insurance. The city will negotiate a three-year blanket contract and the funds saved thereby will be devoted to the sinking fund.

Motor Insurance Events

Palmer Outlaws Fake Fleets

Illinois Insurance Director Made Ruling Effective Feb. 5—Action Had Been Anticipated for Some Time

Insurance Director Palmer of Illinois has taken the action which has been anticipated for several months of outlawing fictitious fleet writings in that state. Some time ago Mr. Palmer sent to companies a questionnaire as to their practices in writing automobile fleets and that put the business on guard to watch for further developments.

Effective Feb. 5

The ruling provides that effective Feb. 5, policies may not be written to cover automobile fleets of less than five cars or where the cars are not owned by individual, partnership or corporation, and are not used chiefly in the business of the individual, partnership or corporation.

Motor vehicles owned by an employee may be included with the fleet coverages of an employer provided the cars are actually used in the business of the employer and the operating expense, while being so used, is borne by the employer.

The companies are asked to advise their agents of this ruling and to acknowledge receipt of the letter.

Much Interest in Figures of Sears, Roebuck Carriers

Much interest attaches to the annual statements of the Allstate and Allstate Fire, which are instrumentalities of Sears, Roebuck & Co., inasmuch as the big mail order house has now entered the life insurance field, having been awarded contracts for taking over the business of the defunct National Life, U. S. A. The Allstate and Allstate Fire are automobile writing companies.

Net premiums of the Allstate last year amounted to \$657,816, as compared with \$432,920 in 1932. Net losses paid were \$190,022.

Premium reserve amounted to \$306,612 as compared with \$219,615. Loss reserve amounts to \$170,101, as against \$91,252. Capital is \$350,000 and net surplus \$379,877. Assets are valued at actual market Dec. 31, and there is no contingency reserve.

The net premiums of the Allstate Fire amounted to \$14,695, as compared with \$107,030 and losses were \$21,082 as compared with \$50,410.

Capital was \$200,000 and net surplus \$90,440. Combined premiums of the two

companies were \$672,511 as compared with \$539,950 the year before.

Good Underwriting Profit

Underwriting profit of the two companies for 1933 was \$83,639, on an earned premium and losses incurred basis, after full loss reserves. This is well over 10 percent on the net premiums and is unusual for a new company. It reflects the company's careful selection rather than low expenses.

Auto Insurers Arrested

Seven operators of automobile insurance associations, which are alleged to be operated in southern California without sufficient responsibility to meet claims, were arrested in Los Angeles. They all pleaded not guilty.

Those arrested were Jack Blank, National American Automobile Association; J. G. Swan and James Fitzgerald, American National Motorists; Benjamin Balof, J. W. Lee, Louis

Singer and H. D. Weston, American Automobile Insurance Association.

Report Made on Tacoma

At Tacoma, Wash., 21 men, including two captains, two lieutenants and a fire alarm operator have been dismissed from the fire department, necessitating closing down two stations. Three hose companies have been discontinued. Station No. 5 at South 13th and I streets is being abandoned. A new station is being built at South 12th and Cushman.

Improvements at Chattanooga

The National Board reports that at Chattanooga, with CWA funds, hose drying racks have been installed in several fire stations, a drill tower is under construction and will soon be ready for use, all engine houses have been repaired and painted and all fire alarm boxes and hydrants painted.

MAKE an inventory and ask the Alliance Agent about adequate, dependable protection of household contents is the message of the Alliance national advertising this month.



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Discuss Coverage in Special Fields

(CONTINUED FROM PAGE 6)

are destroyed and cannot be rebuilt in time, with the consequent spoiling of their crop, they will be fully covered.

"The contract clause which is made a part of this form, recites that in event of loss or damage to hops insured under this policy, on which contract for sale has been made, claim hereunder shall in no event exceed the contract price."

Can Cover Profit Interest

"Under the Oregon general rules, it is permissible to extend the insurance contract to cover the grower's profit interest, provided that contract of sale has been made and at the time of loss the contract price is higher than the market price.

"Standard form No. 267 is used to cover a buyer's interest in hops, as per the following insuring clause. 'On insured's interest (being the difference between the actual cash market value of hops at the time and place of fire and the price named in the contract—'

"The form further recites that 'It is the intent and purpose of this insurance to indemnify the insured, as buyer of hops under a contract made with the grower thereof, for any loss maintained through the inability of the grower to deliver the hops to the buyer according to the contract made between them—'

Example of Coverage

"As an example as to the application of this form of coverage, let us assume that a hop broker or buyer has made a contract with a grower for hops at 30 cents a pound, and has in turn made a contract with a brewer to deliver hops at 35 cents per pound. The grower's hops are totally destroyed by fire at a time when the market price of hops is 50 cents per pound, and due to the inability of the grower to furnish the buyer with the hops as contracted for, the buyer is obliged to go out in the open market in order to fulfill his contract with the brewer. Under this policy, the buyer could recover the difference between the contract price with the grower, 30 cents, and the market price, 50 cents, or 20 cents, thereby recovering the 5 cents per pound profit he would have made with the grower and also the 15 cents per pound he would have lost had it been necessary for him to have purchased hops in the open market to satisfy his contract."

METAL MINING PLANTS

The hazards of metal mining plants were outlined by J. T. Breckon, superintendent of agencies Springfield Fire & Marine. He divided mining risks into two groups, prospects and small plants whose worth is yet to be proved and the proved mine which is a producing and paying property. He stressed the importance of proper inspection, particularly in the former group, of electrical equipment, chimneys, evidences of "poor housekeeping," storage of explosives. Congestion of buildings is also characteristic of prospect mines, he said. Stress was laid by Mr. Breckon on a hazard existing in certain portions of the Pacific Coast which is not applicable to other districts, that of danger from forest fires, and he urged that proper clear space be left between standing timber and buildings and that the surrounding land be well "brushed out."

Construction Superior

As to the second group or proved mines, he pointed out that the construction of buildings was far superior to those of group one and were often of fire resistive reinforced concrete construction, many plants being equipped with automatic sprinklers. He stressed,

CONSIDER GENERAL COVER FORMS

(CONTINUED FROM PAGE 6)

two sets of policies. Bearing in mind this feature and the fact that the provisional carrier has set aside a liability limit on which a full premium cannot be claimed it is only fair that the provisional carrier is entitled to know at all times the status of the specific insurance.

Clauses Differ Radically

"The premium adjustment clause of the board's provisional forms differs radically from the similar clause in the I. U. B. forms. The board forms provide for a premium computation upon the values not in excess of the limits of liability while the I. U. B. provides for a premium based upon the values whether in excess of the limits or not. As the I. U. B. operates in certain states where average cannot be invoked under the laws, this distinction is necessary. The I. U. B. contract can be called upon to pay up to its limit when the value exceeds the limit without benefit of average. The board's full reporting clause contains the provision that the company shall not be liable for a greater proportion of any loss than the limit of liability bears to the actual value. This, in reality, is 100 percent average, under which the company cannot pay its full limit, unless the property insured is a total loss."

Mr. King also discussed adjustments and the possibility of the development of provisional use and occupancy.

COMPETITIVE ANGLE

"The insurance buyer, demanding protection at cheap rates, will keep competition thriving between stock and non-stock insurers, and the success of either type of carrier will depend upon its future usefulness. That usefulness will be measured by services contributed to society and by adequate protection afforded to assureds at rates consistent with soundness and safety," said R. O. Elmore, special agent Fireman's Fund in discussing competition in the field.

He traced in detail the history, financial set-up and growth of stock companies, mutuals and reciprocals. Although non-stock groups are now writing only 15 percent of the total fire premiums, they are writing approximately 25 percent of the preferred class of business.

Factory Body's Forms Effective

The facilities of the Pacific Factory Insurance Association were pointed to as effective helps in selling stock fire coverage on properties equipped with automatic sprinklers. "Policies issued through this association," he said, "invariably appeal to insurance buyers because of the tremendous resources represented by the combined assets of its member companies guaranteeing payment of losses." The Interstate Underwriters Board is another valuable sales help in selling stock coverage, said Mr. Gilmore. "There has been some criticism of I. U. B. on account of the fact that some agents lose business on chain store risks in their community, but if the stock companies did not afford this type of protection, then these desirable risks would find their way into the ranks of the non-stock insurers."

however, the necessity for rigid inspection, pointing out hazards which are common in such plants. These include heating plants installed in a central building, oil storage facilities, oil used for flotation purposes and the hazards which abound in places where machinery is in operation. Welding facilities are also mentioned as holding hazards when not properly housed and protected.

ors. The need for this type of bureau was becoming acute and to criticize I. U. B. and other reporting forms for fluctuating values is a selfish motive actuated by some loss of premium on a risk not controlled by the complainant. I. U. B. has fulfilled its obligation to stock insurance very admirably and its continued successful operation seems apparent." Competition between stock and non-stock insurers is, however, a healthy condition, concludes Mr. Elmore, because due to this competition each type of carrier is trying to give the best service within its power, and the public benefits by the developments through this competition.

Recommends Research

Organization of an economic research department by stock companies for the purpose of keeping a closer contact with industrial development was advocated by Mr. Elmore who pointed out that new types of coverage should be under observation and experimented on before put into general use. Each new form, he said, should be as simple as possible to fit the needs of an assured under the economic conditions of the time. "At present," he said, "there is considerable discussion in regard to a reporting form for use and occupancy insurance. The reciprocals seem to have an adjustable use and occupancy form in use now. How much concentrated study have the stock companies put on this subject? This would be a fit subject for such an economic research bureau."

Alton and Freeport Improvements

The National Board reports that at Alton, Ill., a gasoline engine driving a 5,000,000-gallon pump and a 75-k. w. generator have been installed by the water company as a reserve. Freeport has adopted the fire prevention ordinance suggested by the National Board.

INSURANCE STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 S. La Salle St., Chicago, at close of business Feb. 6

Stock	Div. per			
	Par	Share	Bid	Asked
Aetna Cas.	10	1.60	53	55
Aetna Fire	10	1.60	37	39
Aetna Life	10	...	21	22
Am. Equit. Assur. 5	...	...	20	21
American, N. J. 2.50	1.50	...	10	11
Amer. Surety	25	...	21	23
Automobile Con. 10	1.00	...	22	24
Bankers & Ship. 25	*.50	50	50	55
Boston	100	16.00	445	460
City of N. Y.	100	*7.50	155	160
Cont'l Assur.	10	2.00	32	35
Continental Cas. 5	...	...	15	17
Continental Ins. 2.50	1.20	34	35	...
Federal Ins.	10	2.00	60	62
Fidel-Phenix	2.50	1.20	34	35
Fire Assn.	10	1.00	40	42
Fireman's Fund. 5	3.00	59	61	...
Fireman's F. Ind. 10	...	18	20	...
Franklin Fire	5	...	6 1/2	7 1/4
Glens Falls	5	1.00	19	21
Globe & Rutgers 25	...	1.60	30	32
Great Amer. Ind. 1	...	50	55	...
Great American. 5	1.00	19 1/2	21	...
Hanover	10	1.60	29	31
Harmonia	10	*1.00	20	21
Hartford Fire ..	10	2.00	49	51
Home, N. Y.	5	1.00	23	24
Ins. Co. of N. A. 10	2.00	44	46	...
Knickerbocker ..	5	...	8	10
Maryland Cas. ..	1	...	2 1/2	3
Mass. Bonding. 25	...	17	...	...
National Cas. ..	10	...	8	9
National Fire ..	10	2.00	49	51
National Liberty 2	*.20	6	7	...
National Union. 20	...	67	69	...
New Amst. Cas. 5	1.20	11	12	...
New Brunswick. 10	1.00	20	21	...
N. Hampshire F. 10	1.60	34	36	...
North River	2.50	.60	20	21
N. W. National. 25	5.00	90	95	...
Occidental	10	...	16	17
Phoenix, Conn. 10	2.00	56	58	...
Preferred Acid. 5	...	11	12	...
Prov. Wash.	10	.80	26	28
Sprgfd. F. & M. 25	4.50	88	91	...
St. Paul F. & M. 25	6.00	125	130	...
Travelers	100	16.00	420	425
U. S. Fire	4	1.20	34	35 1/2
U. S. Fld. & G. 2	...	6	7	...
Westchester F. 2.50	1.00	24	26	...

*Paid during 1933.

GENERAL ACCIDENT

UNITED STATES BRANCH

Financial Statement, December 31, 1933

ADMITTED ASSETS

*Bonds and Stocks.....	\$19,503,938.05
First Mortgages	171,812.50
Real Estate	1,091,593.97
Cash on Hand and in Banks.....	1,244,988.25
Uncollected Premiums—not over ninety days.....	3,108,687.05
Other Assets	210,971.59
	\$25,331,991.41

LIABILITIES

Unearned Premiums	\$ 6,958,617.49
Reserve for Losses.....	9,461,254.00
Reserve for Taxes and all other Liabilities	1,328,988.92
†Contingency Reserve	2,297,059.19
Deposit Capital	\$ 550,000.00
Surplus Over Deposit Capital and all	
Liabilities	4,736,071.81
Surplus to Policyholders.....	5,286,071.81
	\$25,331,991.41

*Valuation on National Convention of Insurance Commissioners' Basis.

†Representing difference between value carried in Assets and actual December 31, 1933, market quotations on all Bonds and Stocks owned.

GENERAL ACCIDENT

FIRE AND LIFE

Assurance Corporation, Ltd.

FREDERICK RICHARDSON, United States Manager

General Building, Fourth and Walnut Streets, PHILADELPHIA

The National Underwriter

February 8, 1934

CASUALTY AND SURETY SECTION

Page Twenty-nine

Plan of Maryland Casualty in Force

**R. F. C. Wipes Off Indebtedness—
Takes \$7,500,000 Preferred
Stock**

MORTGAGE DEAL IS O. K.

**U. S. F. & G. and Maryland Refunding
Plan Operative—Government to Buy
U. S. F. & G. Stock Also**

The program of assistance for the Maryland Casualty, to which the Reconstruction Finance Corporation tentatively committed itself about three months ago, has now been consummated. Because the mills of the R. F. C. grind slowly, there had been some apprehension on account of the delay, after the announcement of the tentative program. The business as a whole welcomes the news that the Maryland Casualty has been placed on solid ground.

The Maryland Casualty's loan of about \$7,500,000 with the R. F. C. is being liquidated and the securities collateralizing the loan are being returned to the Maryland. The R. F. C., in satisfaction of that indebtedness, is taking preferred stock in the company, buying at \$7.50 a share, 1,000,000 shares of such stock with a par value of \$2 per share.

What Statement Shows

Giving effect to this transaction, President F. Highlands Burns announces that capital of the Maryland Casualty now amounts to \$2,500,000. Of that amount, \$2,000,000 is the preferred stock owned by the R. F. C. and \$500,000 is the common capital of the company. Stocks are carried at market value and eligible bonds are amortized. The net surplus is then \$4,250,000.

The set-up provides for the issuance of common stock at any time, which may be subscribed to and the funds used to pay off the R. F. C. Or the R. F. C. may buy the common stock and retire the preferred.

Mortgage Bond Plan

Furthermore, the R. F. C. declared operative the mortgage bond refunding plan of the Maryland Casualty and of the United States Fidelity & Guaranty. "This means," according to F. Highlands Burns, "final and complete consummation of our plans and puts the company in a position to merit complete confidence of agents and policyholders."

As of Feb. 3, 93 percent of the bonds, which had been guaranteed by the Maryland Casualty, had been deposited and 91.5 percent of the U. S. F. & G. bonds were deposited. The Maryland Casualty's guarantee amounted to \$50,096,000 and the U. S. F. & G. had guaranteed \$31,118,500.

Although the refunding plan was declared effective Dec. 1, the R. F. C.

(CONTINUED ON PAGE 39)

Boiler and Machinery Rate Reductions Effective April 1

SUBSTANTIAL CUTS ARE MADE

National Casualty Bureau Revision Follows Long Survey; Improve Coverage and Service

NEW YORK, Feb. 7.—Substantial reductions in rates for various risk classifications have been agreed upon by the boiler and machinery department of the National Bureau of Casualty & Surety Underwriters, effective April 1. The changes, which include an improved basis of coverage and service, are the result of surveys, rate analysis and research, and again emphasize the purpose of the rate-governing body to pass on to assureds the benefits of whatever savings can be effected.

While coverages for large size turbines, electric generators, rotary converters, transformers and induction feeder regulators, together with rates for machinery use and occupancy, are affected by the new program, the principal classification to profit will be steam turbines, where the rate reduction in some of the larger units will be 30, while the average reduction will be 20 percent.

Substantial Reduction Granted

For explosion covers an average reduction of 10 percent will be granted larger units and a 15 percent reduction for "combined coverage."

For water turbines the reductions will run as high as 12 percent. There will be substantial rate reductions for several classifications of electric machines, such as generators, rotary converters, transformers and induction feeder regulators.

Companies writing machinery insurance maintain organizations for inspection of machines, survey of plant conditions, underwriting of risks, analysis of losses and compilation of statistics.

Casualty Claim Situation Now Found About Normal

NEW YORK, Feb. 7.—The casualty claim situation has settled down pretty much to normal, according to loss department executives.

An indication, they say, is the fact that the percentage of claims to losses reported is less than during the last two years and is now about the normal percentage.

During the depths of the depression when so many people were in distress, claim men found that honest persons sought to capitalize to the utmost on the slightest claim possibility. Property damage claims were aggravated to become personal injury claims and claimants were exceptionally persistent even though the amount they were seeking was small. Now there is evidence that this unusual greed on the part of honest claimants has diminished.

Most loss executives feel that the automobile claim situation is now under control and that the troubles, which were threatening in that line, have now been dissipated.

Protest Blanket Fidelity Cover on HOLC Employees

NEW ORLEANS AGENTS OBJECT

Washington Official Advises Complainants to Take the Matter Up With the Fidelity & Deposit

The New Orleans agents have been protesting the placing of a fidelity blanket bond, covering all of the employees of the Home Owners Loan Corporation. Under this arrangement, they contend, local agents residing in the communities where the HOLC operations are carried on, are deprived of any opportunity to participate in the handling of the business.

Some time ago the New Orleans Insurance Exchange adopted a resolution of protest and this was followed with communications to congressmen.

Congressman Paul H. Maloney referred the resolution to R. D. Andrews, auditor of the Home Owners Corporation.

Should Take Up With F. & D.

Mr. Andrews replied that the agents should take the question up with the Fidelity & Deposit, which carries the bond. He said if the agents feel they should share the commissions in the various states in which coverage is made, then those representing the Fidelity & Deposit should seek that commission from the company.

Mr. Andrews said the blanket bond was obtained in a manner similar to that of any corporation in which the main office obtains what it considers sufficient coverage to protect its interests and in which all of the insurance is handled by one agent, located in the same city as the main office of the corporation.

Separate Bonds Cost More

He said by having one bond and paying a small additional fee for each employee in the offices located away from the home office, coverage can be obtained for each person employed in the gross amount of the policy issued. If separate bonds were purchased for the coverage of each state, branch and district office, the cost would be many times greater. Mr. Andrews said the corporation is endeavoring in every way to benefit those interested in the various businesses, affected by the corporation and is not discriminating against the various representatives of the businesses.

Detroit Premiums Increase

DETROIT, Feb. 7.—Casualty managers in the Detroit area are well pleased with the distinct upward trend of compensation and burglary premiums that has been apparent in recent weeks, says H. B. Quinn, manager Maryland Casualty. Compensation premiums have increased, due to the heavier payrolls maintained by the industrial plants, and burglary coverage has been extended in many instances because of larger mercantile stocks on the shelves of jobbing and retail stores who have benefited by the general improvement in business conditions in Detroit.

Compensation Is Up in Conference

Field Workers and Producers Discuss Problems With the Companies

COMMITTEES MEETING

Serious Questions Arise in the Effort to Arrive at Some Definite Program

NEW YORK, Feb. 7.—The conferences being held this week over the workmen's compensation question are of paramount importance. The National Bureau of Casualty & Surety Underwriters sent out its agenda together with comment on the proposals to come up but stated that it did not present a fixed program, desiring to get in touch with the general agents, agents and brokers before submitting a definite report to the National Convention of Insurance Commissioners.

Field Workers in Conference

Today there is a conference between the compensation committee of the National Association of Insurance Agents and a committee from the National Association of Casualty & Surety Agents. The latter organization is composed of general agents. Its delegates are Wade Fetzer, George D. Webb and W. H. Stewart of Chicago, T. E. Braniff of Oklahoma City and J. R. Millikan of Cincinnati, president of the organization.

Both organizations will undoubtedly oppose strongly any effort on part of the companies to force a reduction in acquisition cost unless the latter on their part agree to material reductions or changes in other items. The agents seem to feel that the acquisition cost arrangement is not of capital importance in the solution of this problem. They acknowledge there are some abuses. The point is made that general agents' commissions are being paid to purely local agents here and there who do no supervising or service work but simply act as producers.

Want Definition of General Agent

The general agents contend that there should be a definition of what a general agent is, what his duties are and then the companies should abide by that and not have general-local agents. There may be a clash between the general agents and the local agents on this point. Some of the insurance commissioners have called attention to the fact that companies are using no discrimination between general agents and local agents and are paying general agency commissions to local agents merely to get the business. Undoubtedly the commissioners will demand some very definite statement as to service rendered by agents and endeavor to draw a hard and strict

(CONTINUED ON PAGE 39)

Illinois Commerce Board's Insurance Rules Ambiguous

REQUIREMENTS FOUND RIGID

Recent Regulations Governing Truck Transportation and Motor Bus Lines Are Analyzed

Truck transportation and motor bus lines have considerable difficulty getting public liability, property damage, and truck transport insurance, because of the loss experience that has been developed on such risks. General order No. 133 adopted by the Illinois commerce commission recently makes the question acute in some cases because of the rigid requirements of bonds or insurance for the protection of passengers or shippers and the public.

There is some obscurity in the insurance regulations in Illinois because the rules are not drawn up in insurance language and the requirements are not all stated in a single rule. Stated in insurance terms, the Illinois regulations seem to require either a bond for \$100,000 or the following insurance:

Operator's liability for cargo on each truck in amount of \$10,000, covering fire, cargo theft or injury, and failure to account for goods or collections of money from consignees. These requirements are under rule 25

Property Damage Cover

Property damage insurance in amount of \$10,000 on each truck under rule 25 and also under rule 26.

Public liability insurance in the gross amount of \$10,000 under rule 25, and public liability insurance with \$50,000/\$50,000 limits under rule 26.

The requirement of public liability insurance in rule 25 does not name the amount, but refers to the "aforesaid sections" (55a and 55b of the statutes) which require \$10,000 insurance for each motor vehicle, and rule 25 requires that "such insurance, if carried, shall include insurance against damage to persons." The "if carried" provision relates to the option of furnishing a bond instead of insurance. Rule 26 specifically requires \$10,000 property damage on trucks, and a gross of \$50,000 of public liability, "to any one or more person or persons." In insurance terms, this is P. L. with limits of \$50,000/\$50,000 and \$10,000 P. D.

Passenger Vehicles

Public liability on passenger vehicles is required by rule 26 in the amount of not less than \$25,000 for each person and not less than \$100,000 on any one accident.

General order No. 133 is couched in language that offers less difficulty to a layman than to an insurance man. A casual reading of rule 26 leads to the supposition that the requirement is \$10,000 P. L. on one person and \$50,000 on one accident.

Property damage insurance on passenger vehicles is not required under rules 25 or 26, but general order No. 133 quotes section 55a of the statute, which requires the operator of either a freight or a passenger line to "(1) file with the commission a sworn statement of his ability to pay all damages which may result from any and all accidents due to the negligent use or operation of such vehicle," or furnish bond or insurance of such ability to the amount of \$10,000 for each vehicle. This would seem to include property damage, and perhaps damage to baggage.

Bond and Insurance

There seems to be a distinction between a bond and insurance. Clause "(2)" of section 55a gives an option of a bond guaranteeing payment "of all such damages," while clause "(3)" gives an option of insurance "to a reasonable amount." The rules provide insurance

NEWS OF THE COMPANIES

New Statement Issued

Employers Reinsurance Gives the High Lights of the Operations of the Year

The annual statement of the Employers Reinsurance of Kansas City shows assets \$8,372,156, decrease \$634,000 due largely to normal run-off of a substantial volume of pro rata business. The cash is \$719,189, federal bonds \$1,104,329, total bonds \$5,506,124, premium reserve \$1,691,034, loss reserve \$3,309,565. Its liability and compensation reserve included in that item is \$2,916,006, capital \$1,500,000, net surplus \$1,457,999. The surplus this year is slightly increased. The earned premiums last year were \$4,572,000 as compared with \$5,213,000 the year before. The loss ratio is slightly under 52 percent. The underwriting profit is \$223,700. Its interest earnings are \$347,000 and stockholders' dividends \$240,000. Last year it experienced a modest growth in volume in general lines and also an increase in new reinsurance accounts. Results in accident and health, fidelity and surety show an improvement. The compensation volume continues small.

Standard Surety & Casualty

Company Shows Even More Liquid Condition—Big Increase in Premiums Reported

The Standard Surety & Casualty of New York, which has been distinguished for its liquidity, shows in its annual report that its cash position has been again increased. Its cash amounts to \$2,193,119, an increase of \$140,453 over Dec. 31, 1932. That is more than two and a half times its loss reserve and is \$211,211 in excess of the company's reserves for claims, claims expense, unearned premiums and other liabilities.

The company also made a remarkable showing in production, its net premiums of \$2,299,297 being an increase of 34.28 percent over the writings of the previous year. There was an increase of 61.24 percent in automobile liability. Although compensation showed an increase of 7.7 percent, the ratio of compensation writings to the entire volume was 20.51 percent against 25.6 percent in 1932.

The ratio of losses incurred to premiums earned was 6.5 percent better than in 1932. Of the underwriting loss of \$280,688, the increase in unearned premium reserve was \$235,251.

The percentage of overdue premiums to yearly writings was 8/10ths of 1 percent. A contingency reserve of \$360,755 adjusts bonds and stocks to actual market values.

as stated above, with a proviso that the insurance must remain in force for the full amount and not to be diminished by losses. Rule 27 gives an option of a bond instead of insurance, the amount of the bond being \$100,000, and seeming to cover the "over all" loss, without reinstatement.

To Whom It Applies

By its express terms, general order No. 133 applies to operators of all public vehicles, which would seem to include taxicabs, and general haulers, although the statute on which the regulation seems to be based covers only a pickup service over established routes. The regulations seem to apply to interstate as well as intrastate motor carriers, but as long as the regulations apply equally to both there is probably no constitutional obstruction. If limited to lines operating established routes the scope is also much reduced.

Substantial Gain Is Shown

Central Surety of Kansas City Made Increases on the Most Important Financial Items

The Central Surety of Kansas City has issued its annual statement showing assets \$4,525,477 as compared with \$4,159,225 a year ago, increase \$366,252. Its premium reserve is \$1,062,083 as compared with \$994,239, compensation and liability loss reserve \$1,124,481 as compared with \$940,157, its total reserves \$2,670,048 as compared with \$2,304,963. Its capital is \$1,000,000 and net surplus \$604,286. The operating loss for the first six months was \$38,573, but for the last six months there was a profit of \$110,604. Its gain in government, state and municipal bonds amounted to \$418,259. Its net premiums were \$3,164,201, increase \$427,381. Its increase in cash and bonds was \$411,937, and its excess of income \$392,849. It transferred \$358,575 to reserves.

Figures of U. S. Guarantee

President Reaney Reports Liquid Condition—Contingency Reserve Adjusts Statement to Market

The United States Guarantee, of which G. H. Reaney is president, in its annual statement reports assets of \$8,967,358. The company is in most liquid condition, holding in government obligations \$2,253,728 and cash \$735,462. State and municipal bonds amount to \$633,644, railroad securities \$1,107,952, public utility securities \$1,697,958 and miscellaneous bonds and stocks \$1,808,980. Premiums less than 90 days are \$586,082.

Premium reserve amounts to \$2,184,329 and loss reserve \$1,869,771. A contingency reserve of \$407,561 is set up, which adjusts values to Dec. 31 quotations. The capital is \$1,000,000 and surplus \$2,546,341. The net surplus is more than \$550,000 greater than it was Dec. 31, 1932.

The company is on very firm foundations.

Denied License, Appeals

LINCOLN, NEB., Jan. 7.—Lawrence Welch of Omaha has appealed to the district court here from the order of Insurance Director Herdman denying a license to an assessment casualty company he had organized to write surety bonds for beer dealers. The director held such bonds can be written only by a stock company with \$250,000 capital, but Mr. Welch says he misinterpreted the law.

Ask Receiver for Reciprocal

LOS ANGELES, Feb. 7.—The California department has filed application for receivership for the Merchants Casualty Association, Los Angeles automobile reciprocal. The association began business May 24, 1932, under the direction of Fred C. Nichols, who organized it. It is reported that substantial impairment exists and that satisfactory liquidation is doubtful.

Additional U. S. F. & G. Figures

Additional information of the operations last year of the United States Fidelity & Guaranty is now available with the sending of a complete report to stockholders this week. Losses incurred amounted to \$19,196,961, expenses \$11,012,631 and taxes \$604,434. Premium income was \$28,823,201 and total income \$30,799,011.

Total assets are \$51,287,492, including cash \$2,209,913, bonds and stocks

(CONTINUED ON PAGE 36)

Many Insurance People on N. Y. Safety Conference Card

MEETING TO BE MARCH 6-7

D. S. Beyer, F. H. Wentworth, T. Alfred Fleming, R. I. Catlin Are Among the Speakers

Insurance executives will have an important part in the annual Greater New York Safety Conference March 6-7, the program indicates.

D. S. Beyer, vice-president and chief engineer Liberty Mutual, will discuss safe piling and storage of stock and material. A. C. Spottke, National Bureau of Casualty & Surety Underwriters, will tell how active accident prevention work is reflected in insurance rates.

F. H. Wentworth, managing director National Fire Protection Association, is chairman of the fire prevention section and among the speakers will be T. Alfred Fleming, supervisor conservation department National Board, and T. Z. Franklin, manager special hazard department, Automobile of Hartford.

R. I. Catlin, vice-president Aetna Life, will be chairman of the section on industry and public safety. Methods for determining dust concentrations will be discussed by J. W. Fehnel, laboratory of industrial hygiene, Metropolitan Life. Economics of accident prevention will be treated by H. W. Heinrich, engineering department Travelers, and W. G. Cole, director of safety, Metropolitan Life, will handle the question of "What Safety Organization Is Necessary for a Hotel Safety Program."

Dr. H. J. Stack, safety supervisor National Bureau of Casualty & Surety Underwriters, will tell about effective methods of teaching shop safety.

P. D. Betterly, assistant treasurer Graton & Knight, who is known to insurance men through his activity in the insurance division of the American Management Association, will discuss: "How Insurance Managers Can Materially Aid Accident Prevention Work."

D. L. Royer, Ocean Accident, is chairman of the finance committee of the conference organization. Miss Ellen D. McKeon, American Mutual Liability, is vice-chairman of the arrangements committee and L. L. Spencer, Travelers, is vice-chairman of the attendance committee.

Assembly to Tackle Public Official Bond Question

In the call for the third special session of the Illinois legislature to convene Feb. 13, Governor Horner lists, among matters to be considered, the proposition of curing the difficulties that county treasurers and collectors encounter in giving surety bonds.

Difficulty of obtaining public official bonds in Illinois was intensified by a recent Illinois supreme court decision, in which the county treasurer was likened to the chancellor of the exchequer, and the legislature was declared to be without power to abridge his duties or limit his liabilities. The particular law which was affected was the one governing the treasurer of Cook County, providing that he might be relieved of depository liability when the county authorities designated the depository for his funds.

By implication, surety people fear that this same reasoning may be applied to knock out a series of other laws, relieving public officials of depository liability, on the same basis. Accordingly companies have been even more reluctant to take on public official liability.

One suggestion that has been advanced is to alter, by legislative enactment, the form of statutory bond required of public officials, so as to relieve the surety of depository liability.

Offers Participating Plan as Aid in Solving Problem

IDEA OF WISCONSIN EXPERT

Authority on Workmen's Compensation Insurance Suggests Some Amendments in Present System

MILWAUKEE, Feb. 7.—A local authority in Wisconsin in discussing the workmen's compensation insurance rating situation makes some observations of interest. He says:

"It may be that some help should be given to the established procedure of rate making. It is becoming increasingly evident that the present method is not living up to expectations, that it must either be abandoned or recast, or that it must be extraneously supported. Regardless of what is done, even though the line be placed on a paying basis, irregularities and inequalities still remain which no system or systems of rating plans as presently envisioned can adequately ameliorate. Possibly then, the answer to the problem may be found by superimposing upon the present plan, or any extension or abridgment of the present plan, an additional step serving to correct inequalities as between policyholders and prevent losses on the part of the companies.

Suggests Participating Plan

"This sounds like expressing a hope impossible of achievement, but may it not be conceded that perhaps, in the last analysis, the most satisfactory and equitable method of writing any line of insurance wherein the average premiums are reasonably large and wherein the element of chance, economic changes and governmental control constitute an important factor, might be by means of a participating policy wherein all employers developing a loss-ratio less than a fixed figure would receive a refund? Such refunds should be apportioned not only according to size of premium but also according to actual loss-ratio subject to a lower limit stop. Similarly, all risks developing loss-ratios in excess of the fixed figure would be assessed, subject to an upper limit stop, such assessments to be determined in the same fashion as the refunds. Naturally, some arrangement would necessarily have to be made to recover the amount lost by the limitation. This might be accomplished by deducting the amount not recoverable from the fund available for refunds.

Obstacles Not Unsurmountable

"One may expect much opposition to such a plan, such as the necessity of amending constitutions; the difficulties attendant to the determination of outstanding losses; the fact of whether or not, in the opinion of the state authorities such plan would infringe upon the existing experience rating plan (Wisconsin ruled favorably in connection with a similar scheme); its unorthodoxy, etc. In this connection, it may be that none of these objections are unsurmountable. It is reasonable to suppose that, if the workmen's compensation leaders of eight years ago had suspected the line was destined to occasion the grief it has, they would have been prepared to consider almost any plan which would have given promise of preserving the line and preventing the losses. Respecting the charge of unorthodoxy, the plan is unorthodox—but what radical change is not unorthodox?

Can Be Superimposed on Present Plan

"Perhaps the principal recommendation of such a plan lies in the fact that it can be superimposed upon any general rating plan without disturbance, and whilst the companies would never make any profits other than those ac-

General Chairman



CHARLES H. BOKMAN

Charles H. Bokman, Pittsburgh manager for the New Amsterdam Casualty and United States Casualty, is general chairman of the insurance day program of the Insurance Club of Pittsburgh Feb. 19. Mr. Bokman is one of the leading executives in casualty and surety circles in Pittsburgh and devotes much interest to the Insurance Club.

Receiver Finally Named for Central States Motorists

H. B. Hershey, official liquidator for the Illinois insurance department, Wednesday was named receiver for the Central States Motorists of Chicago. Petition for the naming of a receiver was filed by the state many months ago, but the company contested. The principal item in controversy was the valuation of holdings of Midwest Consolidated Utilities, which was carried on the books for more than \$100,000 and which the state contended was virtually worthless. When the case came up Tuesday, however, the company did not contest and the court entered an order finding that cause existed for the appointment of a receiver.

The Central States Motorists was affiliated with the Motorists Association of Illinois.

Globe Indemnity's Office Gets Several Large Bonds

NEW YORK, Feb. 7.—Among large contract bonds issued through the New York City office of the Globe Indemnity, of which T. J. Grahame is vice-president, were those written for Joseph Meltzer, Inc., for \$750,000, guaranteeing construction of lock 21 on the Mississippi river, carrying \$22,020 premium; \$600,000 to the same principal to insure completion of lock 22, with \$17,991 premium, and a third executed on behalf of James Stewart & Co., for \$673,360, guaranteeing completion of Lock 12, also on the Mississippi, with \$20,200 premium.

cruing from investments, neither would they suffer any losses, except as may be developed under the almost unbelievable circumstance of all risks covered by any one company developing unfavorable loss ratios, in which event the companies would lose the non-recoverable portion of the losses, if any. The scheme is not exactly new nor, as evidenced in a simpler form in the English plan and in the California plan, is it altogether untried. All in all, it might be well worth thinking about."

Companies Are Unwilling to Cover Dram Shop Liability

GREAT HAZARD IS INVOLVED

Radical Old Provision in Illinois Liquor Control Law Holding Seller Responsible Is Revived

A great market for a surety bond or some form of liability contract appears to have been created by the Illinois legislature with revival in the liquor regulation law just enacted of the so-called old "dram shop act," imposing not only on sellers of liquors but owners of buildings where liquors are sold full liability for any damages done by or to persons becoming intoxicated through such sale.

The only difficulty is that no companies can be found willing to assume such unlimited liability. The law stipulates that the injured intoxicated person, his or her family, not only may recover damages, but judgment rendered in these cases constitutes a lien against property of the liquor seller and owner of building, which may be sold to satisfy judgment.

Old Bonds Were Profitable

The dram shop act was in force in Illinois throughout the pre-prohibition period and until a year or so ago when the search and seizure law was repealed, automatically repealing the dram shop act. Some companies made money on the dram shop bonds in the old days, but with the widespread sale of liquor by drugstores, former bootleggers, restaurants, cigar stores, mercantile stores including army stores, etc., companies find the situation too involved to their liking.

A few such bonds are being sold circumpectly, but only after careful inspection regarding character of liquor seller, moral hazard and the class of trade done.

No Rate Yet Promulgated

It is said as yet no rate has been promulgated by the Towner Bureau for such bonds. They are considered extremely hazardous under present conditions. An underwriter estimates that a rate of \$30 per \$1,000 should be charged, whereas the ordinary liquor bond covering payment of tax on liquor used to sell for \$5 per \$1,000 and the Towner Bureau's rate promulgated for beer bonds is \$20.

The new Illinois act requires a \$10,000 bond running to the state on manufacturers and a \$5,000 bond on importing distributors, this carrying the \$20 per \$1,000 rate, with \$20 minimum premium. The Chicago city council is considering a liquor ordinance which it is expected will require a \$1,000 bond.

The same care must be exercised in writing these bonds, surety men say, because of the many types of people who have gone into the liquor business.

Name W. D. Hicks Secretary of Glens Falls Indemnity

W. D. Hicks has been elected secretary of the Glens Falls Indemnity. He has been with the Glens Falls, of which it is a subsidiary, since 1913, when he began as a clerk. He filled a number of important posts, becoming manager of the automobile department a few years ago.

Detroit Officers Reelected

DETROIT, Feb. 7.—At the annual meeting of the Casualty Managers Association of Detroit, all officers were re-elected. John W. Callahan, Travelers, is president; John F. Horton, Aetna Casualty, treasurer, and A. S. Cowlin, National Bureau of Casualty & Surety Underwriters, secretary.

Two Novel Accident-Health Policy Contracts Offered

TO COVER ALL OCCUPATIONS

Continental Casualty Issues Low Cost "Income" Series Covering Working Classes

An "income" series of two accident and sickness policies, one limited to coverage while employed on duty, and the other non-occupational, is announced by the Continental Casualty of Chicago. These are characterized as a "new departure" in the personal A. & H. field. The aim has been to make coverage available to practically all occupations, to simplify rate schedules and occupational classifications and to afford low cost protection.

Form 399 is designed to afford "ideal protection" for the small factory group which ordinarily does not qualify for group insurance. Insurable occupations are in three classes, the first being the so-called "select" grade, or A, B and C classifications; the second, such persons as foremen, superintendents, supervisors, etc., and the third, the working class of lesser employees.

Rate Schedule Is Given

Under class 1 only men are sold, ages 16-49, the rates being uniform, and at age 50 an additional 50 percent being charged. With \$1,000 principal sum, the monthly sickness and accident benefit and rates are: \$40 monthly, \$12; \$60 monthly, \$15; \$75 monthly, \$18; \$90 monthly, \$22; \$100 monthly, \$25.

Under class 2, men ages 16-49 and women ages 16-44 are sold \$1,000 principal sum with sickness and accident benefits: \$35 monthly, \$12; \$50 monthly, \$15; \$60 monthly, \$18; \$75 monthly, \$22; \$90 monthly, \$25. At age 50 for men and 45 for women an additional 50 percent is charged.

With \$500 principal sum, the class 3 benefits and rates are: \$30 monthly, \$12; \$40 monthly, \$15; \$50 monthly, \$18; \$60 monthly, \$22; \$70 monthly, \$25.

Form 400, covering while not in line of employment, carries a single classification and rate scale, which for \$1,000 principal sum, carries benefits and rates: \$40 monthly, \$10; \$60 monthly, \$12.50; \$75 monthly, \$15; \$90 monthly, \$17.50; \$100 monthly, \$19.35.

Both policies pay sickness indemnity for total disability and confinement for a period not over six consecutive months, and for total disability and non-confinement, half the benefit for a similar maximum period. There is a week's waiting period. In addition, indemnity will not be paid for any period of disability prior to the first medical or surgical treatment.

If accidental injury totally disables policyholder within ten days from date of accident, the monthly indemnity will be paid for not more than 12 consecutive months. There are graded benefits for death or dismemberment and loss of sight, a double indemnity clause, hospital, physician service and air travel indemnity. The policies do not cover housewives or unemployed women.

Omaha Club Is Organized with Baxter Brown at Head

Baxter Brown, manager of the Fidelity & Deposit, has been elected president of the newly organized Casualty & Surety Club in Omaha. First vice-president is Fred Ochenheim, manager United States Fidelity & Guaranty, second vice-president Eugene Snyder, manager Hartford Accident, and secretary C. E. Haatanen, manager National Bureau of Casualty & Surety Underwriters.

The club will meet the second and fourth Mondays of each month.

CHANGES IN CASUALTY FIELD

Edgar Goes to Philadelphia

Agency Vice-President U. S. F. & G.
Becomes Manager There — Digges
Made Louisville Manager

BALTIMORE, Feb. 7.—W. A. Edgar, vice-president of the United States Fidelity & Guaranty, has been named



W. A. EDGAR

manager of the Philadelphia branch office. He succeeds John Kent Kane, resident vice-president and a director of the company, who has been in charge of the Philadelphia branch since 1920

and is retiring from active work, but will continue as a director.

Mr. Edgar first joined the company in 1922 and shortly afterwards was placed in charge of the agency department and made a vice-president. Before joining the U. S. F. & G. Mr. Edgar, who is a native of Washington, D. C., had a varied experience in field work, having started in the business in 1912.

T. S. Dugan, resident vice-president and manager of the Louisville branch office of the U. S. F. & G., has resigned after 37 years' service and will be succeeded by M. O. Digges, who has been with the office for the past eight years. G. L. Westerman, formerly with the inspectors' department at the Knoxville branch, has been made a special agent at Lula, Tenn.

Reardon Resigns as Newark Manager of Standard Surety

NEWARK, Feb. 7.—H. P. Reardon has resigned as manager of the Newark branch office of the Standard Surety & Casualty, effective March 1.

Mr. Reardon has had about 16 years' experience in the compensation and liability field. He entered the insurance business at the home office of the Aetna Life in 1918, as compensation and liability underwriter. In 1921 he was transferred to the Newark branch office as superintendent of the liability and compensation departments.

In 1925 when the Metropolitan Casualty decided to open a Newark branch office, J. C. Heyer, who was made manager selected Mr. Reardon as his assistant and about a year later he was made manager. He joined the Standard Surety & Casualty in 1931. Mr.

Reardon is past president of the Casualty Underwriters Association of New Jersey and built up a large membership.

Zemek to Palmolive-Peet; Insurance Department Head

M. J. Zemek, compensation and liability underwriter of the Ocean Accident's branch office in Chicago, has been appointed manager of the insurance department of Colgate-Palmolive-Peet. He went with the Ocean Accident last summer after having served 17 years with the Employers' Chicago office. He left the Employers to go with the National Union Indemnity as manager in Chicago, then was transferred to the home offices at Pittsburgh and later sent as manager to San Francisco, altogether spending five years with this group. Mr. Zemek will go along with the Palmolive headquarters, which soon will move to Jersey City.

Morris Succeeds Barnes

R. J. Morris, who joined the home office staff of the Michigan Mutual Liability late last summer as assistant to the late R. L. Barnes, has taken over Mr. Barnes' duties as head of the renewal division of the underwriting department, under Vice-president Clarence Hatch. He was formerly in the Grand Rapids branch of the Michigan Mutual.

Weakley Made Sales Manager

C. G. Weakley, district manager of the Employers Casualty and Texas Employers of Dallas for the past ten years, has been made general sales manager of those companies. H. B. Smith, Jr., who has been with the company 14 years was made superintendent of agents of the Employers Casualty. Albert Webber, associated with the two companies for seven years was made general agent

of the Texas Employers for the Dallas district.

Clark Milwaukee Manager

Norman R. Clark, for the last four years home office agency assistant of the Travelers for casualty lines, has been appointed casualty manager in the Milwaukee branch office. He succeeds T. C. McLaughlin, who becomes manager of the branch at Dayton, O. Mr. Clark formerly was assistant manager at Peoria, Ill., and St. Louis, and manager at Cincinnati.

Geissinger Agency's Lineup

Wayne T. Geissinger, son of A. W. Geissinger, has been named manager of Geissinger & Co., Columbus, O., which will represent the National Surety, Ocean Accident, Columbia Casualty and American Central Fire. A. W. Geissinger, owner of the agency, was for many years state manager of the National Surety and for the last few years has been general agent of the company.

Appointed Special Agent

John D. Mayhew, local agent at Roswell, N. M., for the past two years, has been appointed special agent of the United States Fidelity & Guaranty to travel New Mexico. He was formerly with that company. Manager David Jacobs of Denver says his company has shown increased production in the mountain territory since last September.

Not to Be Self-Insurer

ST. PAUL, MINN., Feb. 7.—After prolonged consideration the trustees of the Minneapolis-St. Paul sanitary district have decided not to carry their own insurance but to place all types of insurance necessary through a single agency. Compensation premiums alone will run close to \$500,000 and in addition to this there will be public liability and property damage.

Reinsurance

GENERAL

REINSURANCE CORPORATION

Casualty - Fidelity - Surety

NORTH STAR

INSURANCE COMPANY

Fire and Allied Lines

Home Office: 90 John Street, New York

Pacific Coast Office: 200 Bush Street, San Francisco, Cal.

Standard Surety & Casualty Company — of New York —

Financial Statement—December 31, 1933

ASSETS

CASH IN OFFICE AND BANKS		\$2,193,119.46
Bonds		
United States Government.....	\$ 499,749.32	
Municipal	709,637.67	
Railroad	152,887.22	
Public Utilities	167,702.94	
Miscellaneous	49,371.17	
		\$1,529,348.32
Stocks		
Preferred	\$ 403,740.00	
Common	380,620.00	
		\$ 784,360.00
Premiums in Course of Collection (Not over 90 days).....		471,404.13
Accrued Interest		13,395.27
Other Assets		8,526.71
TOTAL ADMITTED ASSETS		\$5,000,153.89
(Bonds and Stocks valued on New York Insurance Department Basis)		

LIABILITIES

Reserve for Claims and Claim Expense.....		\$ 836,951.27
Reserve for Unearned Premiums		988,117.61
Reserve for Commissions		105,688.94
Reserve for Other Liabilities		51,150.00
*CONTINGENCY RESERVE		360,755.36
CAPITAL	\$1,500,000.00	
SURPLUS	1,157,490.71	
SURPLUS TO POLICYHOLDERS		\$2,657,490.71
TOTAL		\$5,000,153.89

*The Contingency Reserve represents the difference between the market quotations as of December 31, 1933, and the values carried in assets in this statement for bonds and stocks owned.

FRANK G. MORRIS, President

Home Office: 80 John Street
New York, N. Y.

ACCIDENT AND HEALTH FIELD

All Business for Conference

Five Half-Day Sessions Are Scheduled for Annual Meeting of Health & Accident Underwriters

Because of the increasing interest in current problems of accident and health insurance manifested at the last two annual meetings of the Health & Accident Underwriters Conference and at the mid-winter meeting of the executive committee held in Chicago last December, the program for the annual meeting to be held at the Edgewater Beach hotel, Chicago, June 19-21, will be arranged so as to provide for an even more extensive discussion of such current problems.

Entertainment Before Meeting

The three days set aside for the convention will be devoted entirely to business sessions. In view of this decision, all entertainment except the annual banquet and some of the special features for the ladies will be held on the day preceding the opening of the convention. Heretofore there have been four half-day business sessions, with the afternoon of either the first or second day left open for recreation, but Harold R. Gordon, executive secretary, announced this week that this arrangement has been changed so as to provide for five half-day sessions, two each on the first two days and one on the third.

At Work on Program

Preliminary work is already under way on the program, which will be of unusual merit. Tentative acceptances have been secured from several speakers and the round table sessions will be given over to discussions of questions in which especial interest has been displayed, including possibly some of those

taken up at the mid-winter executive committee meeting.

Abraham Lincoln Meetings

The Abraham Lincoln Life, which is now holding a series of regional meetings for its agents each month, held the current series last week at the home office in Springfield, Ill., in Cleveland and Chicago. Vice-President F. M. Feffer was in charge of the meetings. Other home office speakers who appeared at all or part of the meetings were W. A. Fairlie, manager field service; G. A. L'Estrange, manager claim department, and J. T. Du Moe, home office supervisor.

Mr. Feffer reported that accident and health business in January was practically double that of last year and the life business was about the same as it was last year, which was regarded as very satisfactory, as January, 1933, was a large production month.

Owen Detroit Club Speaker

Ernest W. Owen, Detroit manager Sun Life of Canada and secretary of the National Association of Life Underwriters, will be the featured speaker before the Accident & Health Managers Club of Detroit, Feb. 12, on "Abraham Lincoln, the Gift of God to Mankind."

Margolis Heads Income Club

M. J. Margolis of Cleveland has been named president of the 1934 Income Club of the Income Guaranty of South Bend, Ind. F. Guy Hadley is vice-president, and A. N. Hepler, Sr., secretary, the two latter being with the Los Angeles agency.

Qualification for the club is a minimum of 125 applications in a year, and

its officers represent the ranking of the leaders in the agency force. New business of the Income Guaranty in the seven states in which it operates was greater in November and December than in any three previous months of 1933.

Powell on Texas Tour

James E. Powell, manager of the accident and health department of the Provident Life & Accident, has just completed a round of agency visits in Texas, including Houston, San Antonio, Fort Worth and Dallas.

Chicago Club's Dinner

The annual stag dinner of the Accident & Health Insurance Club of Chicago will be held next Monday, Feb. 12, at the Hamilton Club. It is expected to be the biggest gathering of accident and health men ever held in that city. The Chicago Claim Association has called off its February meeting and is urging its members to take part in this affair. All the recreational facilities of the Hamilton Club will be available during the afternoon and a special bowling tournament will be held, starting at 3 p. m. Dr. H. W. Dingman, vice-president and medical director of the Continental Casualty and Continental Assurance, will be toastmaster at the dinner.

National Accident Revived

The National Accident of Lincoln, Neb., has been revived by George L. Waters and associates, who will operate it as an assessment health and accident company. Mr. Waters had long operated a stock health and accident company under that name, but a year ago changed the name to the National Assurance, planning to add life insurance. Hard times prevented completion of the project, which requires \$150,000 capital. Organization as a life company only, which calls for but \$100,000 capital, will be pushed.

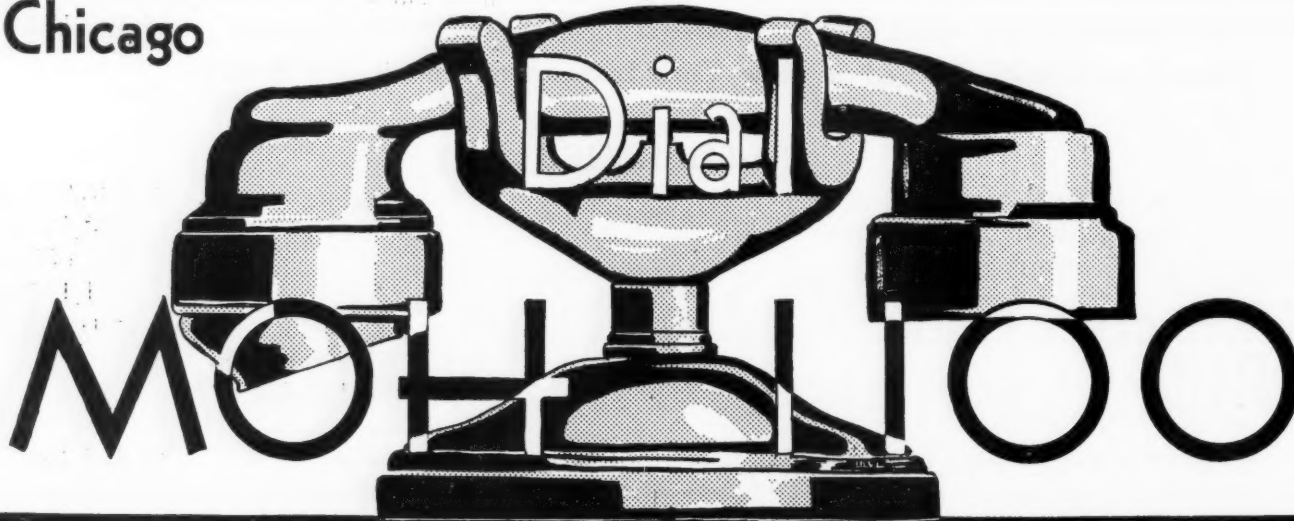
Virginia Agents to Contest Slash in Commission Scale

RICHMOND, Feb. 7.—At a meeting here, the executive committee of the Virginia Association of Insurance Agents named a special committee consisting of J. J. Izard, W. O. Wilson and C. J. Duke, Jr., to confer with executives of casualty companies relative to the recent decision of the companies to reduce commissions on automobile liability and property damage business from 25 percent to 20 percent, following a ruling of the Virginia state corporation commission in ordering a reduction of rates that the companies could not allow more than 20 percent for acquisition cost in their expense loading. The special committee will endeavor to get the companies to permit the commission to remain at 25 percent. If they are unsuccessful in this effort, the agents plan to go to the corporation commission direct and ask for a rehearing, so that all the cards may be laid on the table. They believe if the matter is reopened it can be shown that other costs incident to the acquisition of business, such as field supervisory service and the like, might be cut sufficiently to avoid a reduction in commissions.

Cover Milwaukee CWA Projects

MILWAUKEE, Feb. 7.—As a safeguard against responsibility for property damage from public accidents arising out of civil works projects, principally blasting and dredging, the Milwaukee county board of supervisors has directed the county park commission to obtain liability insurance protecting the county against such claims up to \$50,000 for property damage and \$10,000-\$20,000 public liability. The federal government assumes the payment of compensation to injured CWA workers, but each local unit carrying out projects is liable for property damage and public liability claims.

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We realize that both companies and agents stake their reputation and plate glass business on prompt replacement service. Consequently after your call our entire facilities are at your service to make good your promise to your clients of rapid replacement. Learn to depend on this organization which is foremost in the Chicago plate glass replacement field.

CALL MOHAWK 1100

AMERICAN GLASS COMPANY

1030-42 North Branch Street, Chicago

EMPLOYERS REINSURANCE CORPORATION

Condensed Statement as of December 31, 1933

ASSETS

Cash in Banks and on Hand	\$ 719,188.81
Bonds, Market Value	
United States Government	\$1,114,329.03
Canadian Government (Statutory Deposit in Canada)	92,000.00
State, County, Municipal	3,820,016.25
Industrial	313,641.25
Railroad	166,137.50
Total Bonds, Market Value	\$5,506,124.03
Stocks, Market Value	639,007.00
Total Bonds and Stocks, Market Value	\$6,145,131.03
Mortgage Loans	869,803.35
Real Estate	353,600.29
Collateral Loans	5,300.00
Premiums in Course of Collection (Under 90 Days)	150,028.90
Interest Accrued	102,701.98
Estimated Amount Recoverable from Bank in Liquidation	26,401.66
Total	\$8,372,156.02

LIABILITIES

Loss Reserve: Liability and Compensation (Schedule P Basis)	\$2,916,005.91
Loss Reserve: Other Classes including Investi- gation Expense	393,559.23
Total Loss Reserve	\$3,309,565.14
Reserve for Unearned Premiums	1,691,033.81
Commissions Accrued on Premiums	84,991.06
Reserve for Contingent Commissions	199,872.11
Reserve for Miscellaneous Bills	7,500.00
Reserve for State and Federal Taxes	121,194.16
Total Liabilities	\$5,414,156.28
Capital	\$1,500,000.00
Surplus	1,457,999.74
Total Capital and Surplus	\$2,957,999.74
Total	\$8,372,156.02

OFFICERS

EDWARD G. TRIMBLE President
HOWARD FLAGG Vice-President
J. B. ROBERTSON Vice-President

WILLIAM EHMANN Vice-President
STANLEY W. IZARD Secretary
EDGAR E. SMITH Treasurer

KANSAS CITY

LOS ANGELES
Jack Woodhead

SAN FRANCISCO
T. A. Long

CHICAGO
B. H. Henderson

NEW YORK
Ehmann & Co.

NEWS OF THE COMPANIES

(CONTINUED FROM PAGE 30)

\$32,845,675, loans secured by pledge of collateral \$3,834,171, home office building \$2,186,742 and New York office building \$1,029,055. Among liabilities is the \$4,900,000 loan from the Reconstruction Finance Corporation, security depreciation reserve \$5,403,831, premium reserve \$12,183,684 and claim reserve \$19,269,156. Net surplus is \$5,278,104.

Autoist Mutual Meeting

The Autoist Mutual of Chicago held its annual meeting there. Agents from the six states in which the mutual operates engaged in round table discussions. Higher quotas were set for 1934. The company set a good pace in 1933, considerably increasing its business volume and assets. The Autoist Mutual operates in Minnesota, Iowa, Illinois, Wisconsin, Michigan and Indiana.

Hershey Named Receiver

H. B. Hershey, official liquidator for the Illinois insurance department, has now been appointed receiver for the American Preferred Risk Underwriters in Chicago.

Travelers Mutual Now Active

The Travelers Mutual Casualty, Des Moines, has been admitted to Kansas and Missouri. It is also licensed in Iowa and Nebraska. Offices are maintained in the Marks building. John S. Osborn is president and George Olmsted secretary and manager. The company was incorporated in 1927 but was not very active until 1933. Premiums were \$51,644 in 1933 and \$12,003 in 1932. Assets were \$198,008 in 1933 and \$10,474 in 1932. Other figures for 1933 were: premium reserve \$11,433; net sur-

plus \$181,414, total income, \$53,996, losses and adjustment expenses paid \$7,420, expenses \$19,521.

Century Indem.—Assets, \$6,706,191; inc. in assets, \$93,349; secur. fluc res., \$53,435; unearned prem., \$1,984,652; loss res., \$539,540; liab. res., \$1,799,490; comp. res., \$552,980; capital, \$800,000; surplus, \$602,985; dec. in surplus, \$209,212. Experience:

	Prem.	Losses
Accident	\$ 98,701	\$ 52,423
Health	25,458	22,927
Auto liability	2,001,752	1,103,648
Other liability	532,067	120,345
Workmen's comp.	855,531	560,351
Fidelity	151,941	63,123
Surety	196,239	219,370
Plate glass	130,953	54,426
Burglary and theft.	179,921	51,327
Auto prop. damage.	615,919	88,301
Auto collision	32,588	4,476
Other P. D. and coll.	16,030	2,433
Total	\$4,837,100	\$2,343,151

Kansas Bankers Surety—Assets, \$623,274; inc. in assets, \$5; unearned prem., \$35,271; loss res., \$58,500; surplus, \$200,220; inc. in surplus, \$23,284. Experience:

	Prem.	Losses
Fidelity	\$ 69,511	\$ 51,063
Surety	1,031	18,941
Total	\$ 70,542	\$ 70,005

Casualty Underwriters, Tex.—Assets, \$42,609; unearned prem., \$10,000; comp. res., \$8,632; surplus, \$18,267. Experience:

	Prem.	Losses
Liability	\$ 13,281	\$ 1,137
Workmen's comp.	87,459	27,937
Total	\$ 100,740	\$ 29,074

Freeport Motor Cas., Ill.—Assets, \$683,332; dec. in assets, \$12,691*; unearned prem., \$151,975; loss res., \$9,270; liab. res., \$119,690; capital, \$200,000; surplus,

\$179,320; inc. in surplus, \$25,209. Experience:

	Prem.	Losses
Auto liability	\$ 175,683	\$ 39,324
Auto prop. damage.	79,363	19,136
Auto collision	45,318	14,503
Auto fire & theft.	56,259	15,215
Total	\$ 356,623	\$ 88,178

*Bonds on market value basis this year.

Seaboard Mut. Cas., Pa.—Assets, \$77,434; unearned prem., \$38,777; loss res., \$630; liab. res., \$15,748; surplus, \$3,421. Experience:

	Prem.	Losses
Auto liability	\$ 55,418	\$ 1,644
Auto prop. damage.	29,118	1,279

Inter-State Bus. Men's—Assets, \$569,085; dec. in assets, \$30,563; unearned prem., \$72,575; loss res., \$98,483; surplus, \$310,729; inc. in surplus, \$15,189. Experience:

	Prem.	Losses
Accident	\$ 230,649	\$ 147,482
Health	264,564	179,542
Total	\$ 495,214	\$ 327,025

Farmers Mut. Auto., Wis.—Assets, \$305,592; inc. in assets, \$25,321; secur. fluc. res., \$40,000; unearned prem., \$80,685; loss res., \$11,649; liab. res., \$68,444; surplus, \$90,879; inc. in surplus, \$5,894. Experience on principal lines:

	Prem.	Losses
Auto fire	\$ 13,538	\$ 2,447
Auto theft	11,109	2,795
Auto tornado	2,189	115
Auto liability	187,000	102,015
Auto prop. damage.	81,820	27,113
Auto collision	6,025	2,491
Total	\$ 301,777	\$ 136,979

Inter-Ins. Exch., Auto Club of So. California—Assets, \$5,766,857; dec. in assets, \$501,784; unearned prem., \$1,058,825; loss res., \$178,526; surplus, \$4,462,273; dec. in surplus, \$293,348. Experience:

	Prem.	Losses
Auto prop. damage.	\$ 441,876	\$ 142,986
Auto collision	1,278,033	530,900
Fire and theft.	391,032	89,491
Misc. accts. pay.	2,110,941	765,616

Great Lakes Casualty, Mich.—Assets, \$692,713; secur. fluc. res., \$38,865; un-

earned prem., \$43,062; loss res., \$6,228; liab. res., \$43,210; comp. res., \$40,029; capital, \$300,000; surplus, \$200,000. Experience on principal lines:

	Prem.	Losses
Auto liability	\$ 74,602	\$ 2,418
Other liability	34,951	608
Workmen's comp.	71,214	4,002
Plate glass	12,305	2,146
Burglary and theft.	10,264	2,860
Auto prop. damage.	29,416	1,291
Total	\$ 234,517	\$ 13,348

Detroit Auto Int.-Ins. Exch.—Assets, \$4,026,670; dec. in assets, \$74,907; secur. fluc. res., \$100,000; unearned prem., \$980,034; loss res., \$72,431; liab. res., \$407,700; contingency res., \$74,462; surplus, \$2,392,043; inc. in surplus, \$7,921. Experience:

	Prem.	Losses
Auto liability	\$ 977,167	\$ 415,511
Auto prop. damage.	374,958	105,792
Auto collision	390,788	260,435
Total	\$1,742,913	\$ 781,738

Allstate, Ill.—Assets, \$1,219,264; inc. in assets, \$218,252; unearned prem., \$306,612; loss res., \$25,174; liab. res., \$144,927; capital, \$350,000; surplus, \$379,877; inc. in surplus, \$156,261. Experience on principal lines:

	Prem.	Losses
Auto liability	\$ 427,708	\$ 104,324
Plate glass (auto)	4,969	1,163
Auto theft	47,624	29,100
Auto prop. damage.	131,626	22,896
Auto collision	21,918	5,817
Auto fire	22,137	25,747
Total	\$ 657,816	\$ 190,022

Hartford Live Stock—Assets, \$1,152,067; dec. in assets, \$178,465; unearned prem., \$104,533; loss res., \$16,630; capital, \$500,000; surplus, \$452,439; dec. in surplus, \$150,676. Experience:

	Prem.	Losses
Live Stock	\$ 212,833	\$ 200,422

Globe Indemnity—Its annual statement shows assets, \$32,152,531, of which \$10,664,992 are federal bonds, \$15,848,208 other bonds and stocks, \$2,973,296 premiums in course of collection, \$616,819 cash. Its claim reserve is \$12,892,085; premium reserve, \$6,889,588; special reserve for losses incurred but not reported, \$2,200,000; contingency secur-

UNITED STATES GUARANTEE COMPANY

44th Annual Statement, December 31, 1933

Admitted Assets, \$8,967,358.76

ASSETS

United States Government Bonds ..	\$1,261,040.38
U. S. Gov't Bonds maturing in 1934 ..	992,687.65
State and Municipal Bonds	633,644.38
Railroad Bonds and Stocks	1,107,952.25
Public Utility Bonds and Stocks	1,697,958.74
Miscellaneous Bonds and Stocks	1,808,980.81
Cash in Banks	\$724,017.22
Cash in Office	11,445.00
Premiums, not over three months due ..	586,082.16
Reinsurance Receivable	47,394.09
Accrued Interest	53,443.53
Accounts Receivable	42,712.55

Total Admitted Assets

\$8,967,358.76

Surplus to Policy-Holders, \$3,546,341.19

LIABILITIES

Reserve for Unearned Premiums ..	\$2,184,329.83
Reserve for Losses and Claims	1,869,771.47
Reserve for Loss Adjustment Expense ..	28,280.86
Reinsurance Reserves	317,644.96
Commissions and Brokerage	97,544.98
Federal and State Taxes	125,179.75
Accounts Payable	90,704.51
Voluntary Gen. Contingency Res.	300,000.00
Contingency Reserve, representing difference between value carried in assets and actual December 31, 1933, Market quotations on all bonds and stocks owned	407,561.21
	5,421,017.57

Capital Paid In

\$1,000,000.00

Surplus

2,546,341.19

Surplus to Policy-holders

3,546,341.19

Total Liabilities

\$8,967,358.76

WESTERN DEPARTMENT
Insurance Exchange Bldg., Chicago, Ill.

HOME OFFICE
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Shoreham Bldg., Washington, D. C.



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USF & G

UNITED STATES FIDELITY AND GUARANTY COMPANY

with which is affiliated

F & G FIRE

FIDELITY AND GUARANTY FIRE CORP.

Home Offices:

BALTIMORE, MARYLAND

ity reserve, \$2,292,275; capital, \$2,500,000; net surplus, \$4,326,470. Its net surplus a year ago was \$3,259,211. The net surplus represents actual market values.

Travelers Indemnity—Assets, \$20,681,960; inc. in assets, \$561,525; unearned prem., \$5,947,120; loss res., \$1,347,400; liab. res., \$317,036; capital, \$3,000,000; surplus, \$4,801,774; inc. in surplus, \$512,666. Experience:

	Prem.	Losses
Auto liability	\$ 319,779	\$ 149,393
Other liability	176,363	68,493
Plate glass	662,400	217,205
Burglary and theft	2,048,511	611,763
Steam boiler	843,525	93,095
Engine and machine	140,387	16,781
Auto prop. damage	4,307,136	1,277,218
Auto collision	865,856	399,643
Other P. D. and coll.	188,813	46,345

Total\$9,552,773 \$2,879,850

Travelers—Assets, \$680,936,454; inc. in assets, \$6,443,929; unearned prem., \$14,731,758; loss res., \$34,512,468; liab. res., \$11,879,154; comp. res., \$18,167,997; non-canc. A&H res., \$484,451; capital, \$20,000,000; surplus, \$16,288,985; dec. in surplus, \$1,850,885. Experience:

	Prem.	Losses
Accident	\$8,222,783	\$4,025,360
Health	2,534,420	1,725,586
Non-canc. H. & A.	94,500	179,896
Auto liability	14,384,925	7,558,655
Other liability	4,740,380	1,429,239
Workmen's comp.	10,596,542	7,827,828

Total\$40,573,552 \$22,746,566

U. S. Mut. Liability, Mass.—Assets, \$561,687; inc. in assets, \$7,820; unearned prem., \$28,994; liab. and comp. res., \$271,224; surplus, \$259,569; inc. in surplus, \$23,795. Experience on principal lines:

	Prem.	Losses
Auto liability	\$ 40,644	\$ 6,587
Workmen's comp.	158,178	89,587

Buckeye Union Cas.—Assets, \$884,792; inc. in assets, \$90,395; secur. fluc. res., \$15,000; unearned prem., \$278,399; loss res., \$15,231; liab. res., \$289,637; capital, \$100,000; surplus, \$167,092; inc. in sur-

plus, \$22,460. Experience on principal lines:

	Prem.	Losses
Auto accident	\$ 5,047	\$ 1,696
Fire, auto	41,898	8,063
Auto liability	328,241	96,406
Other liability	12,036	2,716
Theft—auto	36,154	13,180
Tornado—auto	4,219	677
Plate glass	14,385	5,553
Burglary and theft	5,418	886
Auto prop. damage	144,060	33,182
Auto collision	56,684	26,336
Other P. D. and coll.	2,693	179

Total\$ 651,006 \$ 188,959

National Auto, Cal.—Assets, \$978,881; inc. in assets, \$130,615; unearned prem., \$265,208; loss res., \$17,176; liab. res., \$36,987; comp. res., \$239,975; capital, \$250,000; surplus, \$116,342; inc. in surplus, \$52,946. Experience on principal lines:

	Prem.	Losses
Auto liability	\$ 13,182	\$ 17,507
Other liability	14,621	2,395
Workmen's comp.	527,633	254,042
Surety	19,217	7,912
Auto prop. damage	7,880	4,022
Auto collision	7,874	5,175
All other auto	79,427	17,255

Total\$ 667,268 \$ 309,295

General Cas., Wash.—Assets, \$2,712,473; inc. in assets, \$243,076; unearned prem., \$801,618; loss res., \$58,863; liab. res., \$466,888; comp. res., \$22,142; capital, \$500,000; surplus, \$582,827; inc. in surplus, \$70,681. Experience on principal lines:

	Prem.	Losses
Auto liability	\$ 931,786	\$ 348,431
Other liability	101,163	29,933
Workmen's comp.	16,361	15,075
Fidelity	25,802	1,804
Surety	36,532	19,033
Plate glass	24,010	14,349
Burglary and theft	23,007	4,595
Auto prop. damage	304,171	87,314
Other P. D. and coll.	2,186	810
Auto confis. & Emb.	6,982	2,677

Indemnity of N. A.—Assets, \$19,232,044; inc. in assets, \$2,988,725; cont. res., \$790,867; unearned prem., \$6,085,801;

loss res., \$1,974,611; liab. and comp. res., \$5,698,919; capital, \$1,000,000; surplus, \$1,255,394; inc. in surplus, \$110,961. Experience:

	Prem.	Losses
Accident	\$ 273,070	\$ 124,434
Health	43,609	34,255
Auto liability	3,969,559	2,246,619
Other liability	1,349,398	594,628
Workmen's comp.	1,142,784	1,109,546
Fidelity	1,783,968	319,117
Surety	784,228	506,699
Plate glass	331,530	108,232
Burglary and theft	974,499	239,009
Auto prop. damage	1,223,123	386,138
Auto collision	65,194	24,504
Other P. D. and coll.	48,812	10,183
Water damage	30,168	6,616

Workmen's Compensation

New York State Fund's Year

Wrote \$900,000 More in Premiums Last Year Than in the Previous Twelve Months

The greatest amount of new compensation business ever acquired in any year in the history of the New York State Fund was written in 1933, C. G. Smith, manager, announces. This amount, exceeding \$2,780,000, was approximately \$800,000 more than in 1929, a record year for general business activity, and over \$900,000 more than in 1932. Total premiums of the state fund in 1933 exceeded \$7,000,000. He said:

"Although the state fund writes compensation insurance for New York state employers only, nevertheless the volume of the premiums it wrote in 1933 was greater than the amount any private insurance company wrote in any state. The largest private carrier of compensation in the United States wrote in 1933, in all states combined, less than \$10,000,000 in premiums, while the state fund wrote more than \$7,000,000 in New York state alone."

Push Bill for Supervising District of Columbia Rates

WASHINGTON, Feb. 7.—Enactment of legislation giving the superintendent of insurance of the District of Columbia authority to regulate rates for compensation insurance was urged on the senate district committee by the district commissioners.

Control of rates is provided for in a measure drafted by Superintendent Herbert L. Davis and sent to Congress at the last session. The legislation was the result of proposals then pending for increases of 25 percent or more in rates, which have since been held in abeyance.

Weakness Pointed Out

Pointing out that the bill provides that before the superintendent shall approve rates he must satisfy himself that they are adequate and reasonable, Commissioner Hazen wrote Senator King of Utah, chairman of the committee, that "at the present time no control is exercised by the superintendent over rates. Many unfair practices have grown up within the District of Columbia incident to workmen's compensation. One of the difficulties confronting the officials of the District is the so-called 'minimum rate' fixed by the companies, or their representatives, without any supervisory control by the officials of the District."

Cox to Head Ohio Probe

COLUMBUS, O., Feb. 7.—Former Governor James M. Cox, who charged a few days ago that the state had been defrauded out of more than \$1,000,000

PERSONALS

John J. Nangle, vice-president of the Utilities Insurance Company and a partner in the Linton T. Block Agency, St. Louis, Mo., was chairman of the St. Louis Roosevelt birthday celebration.

Joseph S. Dickman, for 30 years secretary-treasurer of the Pioneer Insurance Company and Teachers Casualty Underwriters, died at Lincoln, Neb., aged 72.

Thomas E. Griffin, Detroit manager of the National Surety for many years, celebrated his 58th birthday Feb. 2. Mr. Griffin, who is a past president of the Surety Association of Michigan, has been in the surety business since 1902.

After an extended visit in southern California, **R. H. Townner**, head of the Townner Rating Bureau, left Los Angeles for New Orleans. While in California he inspected the various projects of the Los Angeles metropolitan water district and also visited Boulder Dam, accompanied on the trip by Guy LeRoy Stevick, vice-president Fidelity & Deposit; A. W. Hillback, joint manager Great American Indemnity, and E. C. Porter, manager United States Fidelity & Guaranty, all of San Francisco.

P. W. Goebel, well known Kansas City banker, who died in Carlsbad, N. M., was chairman of the board of the Central Surety, although he had never been active in its management. He was also a director of the Kansas City Life and the Midland Life.

J. C. Brown, who is being transferred by the Standard Accident from Chicago to San Francisco as casualty manager there, was given a watch by his associates in Chicago.

Loss to Surety, Registered Mail Pool in Big Robbery

PHILADELPHIA, Feb. 7.—The Penn. Grove, N. J., bank, whose messengers were held up last week at the bank's door and robbed of registered mail parcels containing \$130,000 cash, was insured with the American Surety under Form 2 for \$25,000. Arrests last Saturday of three men and a woman alleged to be participants in the robbery led to the discovery of \$30,000 in bills, part of which are stated to have been identified by numbers of new bills as included in the robbery and which will probably be salvage. The shipment was insured by five carrier companies for account of the Federal Reserve Bank here "from the time of leaving the office of the consignor until delivered at the office of the consignee, including risks by messenger."

All of the local Federal Reserve business appears to have been placed with these five companies with an annual premium of \$625,000, all of them being members of the registered mail pool. The American Surety loss seems likely to be total on its \$25,000 bond and the registered mail pool companies involved will settle on the basis of the net amount of loss after deducting the American Surety's line plus the salvage.

in workmen's compensation premiums, has been asked by Governor White to head a committee to investigate the situation. Representatives of employees and labor and the general public also will be placed on the commission. Mr. Cox was to have appeared Tuesday before a senate committee investigating the subject, but in view of his appointment as chairman of a special committee, he decided not to appear as a witness.

A Deferred Payment Auto Policy That Will Increase Your Business—

This new Automobile policy has been designed so that the assured can conveniently pay the premium in five equal payments extended over an eight months' period without any additional cost or carrying charge.

- 1/5 OF PREMIUM—CASH
- 1/5 OF PREMIUM—IN 2 MONTHS
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UTILITIES INSURANCE COMPANY

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Direct contracts available for conservative and successful agents in Illinois, Indiana, Iowa, Missouri, Nebraska, Oklahoma, South Carolina, Tennessee and Texas.

Plan of Maryland Casualty in Force

(CONTINUED FROM PAGE 29)

authorities desired to have just as many bonds deposited as possible and consequently deferred the operative date of the plan to Jan. 1, so far as the Maryland Casualty is concerned, and Feb. 1 for the U. S. F. & G.

Field Men at Work

Both companies have been active for some time in rounding up the bonds and have had many of their field men doing little else.

Bondholders were offered two options and most of them signed up for the plan by which they get \$300 in cash for a \$1,000 bond, together with a \$700, 20-year debenture. The debentures are guaranteed as to interest by the surety companies.

The other option, which is not so popular, was to exchange present bonds, par for par, for bonds of a new mortgage company.

The Reconstruction Finance Corporation also announced a tentative agreement to purchase \$4,000,000 of preferred stock of the U. S. F. & G. as soon as the company's charter is amended. Probably a special stockholders' meeting will be called in March for this purpose. When this deal is consummated, the collateralized indebtedness of the U. S. F. & G. to the R. F. C. would be liquidated and the indebtedness would be capitalized, as in the case of the Maryland Casualty.

Many details remain to be completed before the bonds and debentures of the newly formed mortgage companies can be forwarded to the holders of the old mortgage bonds which have been deposited, but those in charge of the refunding program said that they expect to be ready to make settlement in about one month.

Combine Is Formed Against the Code

(CONTINUED FROM PAGE 3)

companies, mortgage institutions, building and loan associations, real estate boards and bankers, will constitute a formidable block in opposition to the code.

CHARGES SELFISH MONOPOLY

With the statement that the code, as filed by the National Association of Insurance Agents, represents a "selfish monopoly intended to disrupt cooperative buying and local farm mutual insurance agencies," the Farmers Grain Dealers Association of Iowa, at its convention at Fort Dodge, Ia., adopted resolutions of protest against the code. The resolutions were sent to the secretary of agriculture, General Johnson, Senator Norris of Nebraska and the Iowa senators and representatives.

The resolution contends there is no constitutional provision, whereby the federal government might regulate insurance. The various state insurance laws provide no method of delegating supervision to the federal government.

The resolution contests the claim of the agents' association that members of that organization write 75 percent of the insurance in the country. Many brokers in Chicago, New York and San Francisco, controlling large lines, do not belong. The code, according to the resolution, would prevent any group from

negotiating insurance on a favorable basis due to common interest and purpose. The code would thus, the resolution contends, increase insurance cost with no benefit, solely for the purpose of producing additional commissions to the agents at the farmers' expense.

"We object to conferring such a monopoly into the hands of any group of insurance agents owning neither the company's assets nor the property insured and being interested solely in commissions as middle men," the resolution declared.

Compensation Is Up in Conference

(CONTINUED FROM PAGE 29)

line between actual production, so far as acquisition cost is concerned, and that part of the acquisition cost, that should be charged up to actual service. Many of the agents feel that the companies are willing to throw the entire burden and sacrifice on them without the latter working out a program where economies can be put into effect and waste cut down in the general administration of the business.

Those who are forward looking declare that in a business of this character its social nature should be acknowledged and therefore competitive factors should be reduced to a minimum. The point is made that in the competition for business, pressure by brokers, agents and companies has resulted in risks being written at too low a rate, classification has been juggled, experience and equity rating has been distorted, payroll audits have been twisted, so that the premium dollar received did not represent the price that should have been paid for all the liability assumed.

Some Want Pooling Arrangement

In the agenda the bureau evidently put its foot down on a central audit and inspection service. Yet some of the agents contend that here is a point that is well worth considering. They declare that the pooling of interest of this nature would tend very much to eliminate competition and that companies could come together and act in common on inspections, audits, medical service, and the like. Undoubtedly the commissioners have been prejudiced against recommending higher rates because they felt that the companies were not honest and sincere in getting that to which they were entitled. In competition they cut corners and did not secure the premiums they could have gotten if they had not resorted to legerdemain of various kinds.

Many of the agents feel that the time has come for some retrospective rating plan or participation scheme so that policyholders that maintain excellent records right along may receive concessions, while those that are careless or indifferent will pay the penalty.

It is the plan for the agents to endeavor to agree on some definite course and then tomorrow delegates from the two agency organizations will meet the National Bureau committee. Next week the brokers will be received.

The National Association of Insurance Agents is represented by W. E. Harrington, Atlanta, chairman; Charles Bellinger, New York; C. F. Liscomb, Duluth; W. H. Stewart, Chicago, and C. T. Smith, Dallas.

Casualty company executives who will confer with agents here tomorrow include: C. B. Morcom, vice-president Aetna Life; R. J. Sullivan, vice-president Travelers; Jesse S. Phillips, chairman Great American Indemnity; W. E. McKell, president New York Casualty; J. M. Haines, United States manager London Guarantee & Accident, and W. J. McCaffrey, vice-president Royal Indemnity.

CHICAGO BROKERS' ATTITUDE

The Insurance Brokers Association of Illinois is on record as opposing any suggested reduction to the middlemen on compensation insurance premiums.

The attitude of the body will be presented by A. J. Gallagher at the conference between casualty company executives, representative general agents and local agents to be held in New York Thursday.

Oppose Deposit Requirement

BOSTON, Feb. 7.—Very general opposition developed before the insurance committee of the legislature this week to a bill sponsored by Commissioner M. L. Brown, which would give him power to require domestic companies writing compulsory automobile liability to deposit cash or securities with the state

treasurer in such amounts as might be deemed necessary to secure the payment of claims. Foreign companies would be required to file bonds. The bill was opposed by representatives of the companies who advanced the argument that retaliatory laws would be invited and that the scattering of the reserves of the companies in many states would tend to weaken the companies. One opponent pointed out that if all the foreign companies were required to post bonds there wouldn't be enough surety companies to write them and if only one or two companies were singled out to file bonds, no company would be inclined to write them.

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CASUALTY ASSOCIATION NEWS

Gillespie Is Ohio President

Casualty & Surety Association Holds Annual Meeting in Columbus—Address on Probate Practice

COLUMBUS, O., Feb. 7.—The Ohio Association of Casualty & Surety Managers at its annual meeting here elected these officers: President, John B. Gillespie, Jr., Maryland Casualty, Columbus; vice-president, C. H. Taylor, Travelers, Columbus; secretary-treasurer, George F. Ainslie, Jr., American Surety, Columbus. New directors are John H. Parks, Royal Indemnity, Cleveland; E. D. Sweet, Maryland Casualty, Cleveland; and Harold F. De Land, American Surety, Columbus.

Discusses Probate Code

Judge C. P. McClelland of the probate court of Franklin county spoke on the new probate code. He explained the new Ohio laws affecting the descent of real estate and the distribution of personal property and urged that everyone make a will. He said that under a new ruling of his court every fiduciary must show all securities belonging to an estate. These are classified and numbered so that a person serving as a fiduciary for more than one estate cannot shift the securities when he makes his report to the court.

Following his address many questions were discussed, such as the theft of securities belonging to an estate, joint control, reduction of bonds with the reduction of the value of an estate or sale of property, and whether a bonding company was responsible for court costs when an administrator has been

appointed merely for the purpose of bringing suit in court.

Cincinnati Adjusters Have Organized an Association

The Cincinnati Casualty Adjusters Association has been organized. The officers are W. B. Molloy, Royal Indemnity, president; T. E. Klein, Continental Casualty, vice-president; Joseph Weir, Ohio Casualty, secretary; Charles Miller, General Accident, treasurer, Elmer Hill, United States Fidelity & Guaranty, sergeant at arms. The officers together with Cyril Heile, Employers, and A. M. O'Connell, Travelers, constitute the executive committee.

This organization was formed to combat ambulance chasing, which has become quite prevalent in Cincinnati during the past few months. Another practice which it will antagonize is the use by automobile repair companies of radios to intercept police calls showing where wrecks have occurred and thus sending a wrecker out without a call to secure the business. Its membership will consist of salaried adjusters employed by the companies.

Los Angeles Adjusters Elect

LOS ANGELES, Feb. 7.—E. D. O'Brien, Fireman's Fund Indemnity, was elected president of the Casualty Adjusters Association of Southern California at the annual meeting. L. R. Ogren, Commercial Casualty, is vice-president, and George Miller, associate of M. E. Faust, independent adjuster, secretary-treasurer.

FIDELITY AND SURETY NEWS

Pledge of Securities Invalid

U. S. Supreme Court Holds National Banks Can't Secure Deposits in That Way

Surety people are much interested in the two decisions of the United States supreme court, one holding that national banks are not authorized to pledge securities to guarantee deposits of public funds and the other taking the same position as to private funds. The decision as to public funds was given in the case of the City of Marion, Ill., vs. the receiver of the City National Bank of Herrin, Ill. The Fidelity & Casualty was interested.

Treasurer Carroll of Marion had deposited city funds in the Herrin bank, which in turn deposited securities with the Continental-Illinois National Bank & Trust Co. of Chicago.

When the Herrin bank closed, the receiver brought suit to have the pledge declared illegal and to gain possession of the securities.

The second decision was in the case of the Texas & Pacific Railway vs. the receiver of the First National Bank of El Paso, Tex. Bonds were put in the bank's trust department to cover the daily balances of the railroad company.

Mid-town Hudson Tunnel Bond

NEW YORK, Feb. 7.—Bids for the construction of a portion of the new mid-town Hudson tunnel will be opened by the Port of New York Authority, Feb. 14. The specifications call for the completion of the south tube, approximately 6,000 feet in length; the sinking of two shafts and the construction of plazas both at the New York and New Jersey approaches. The cost of the work will likely range from \$5,000,000 to \$7,000,000. The bond to be required as set forth in

the specifications is \$3,000,000. Pending decision as to the character of the bond to be furnished, the Towner Rating Bureau will delay promulgation of a rate.

Write \$984,000 Bond

KANSAS CITY, MO., Feb. 7.—The Massman Construction Company has contracted to build a highway underpass and bridge at the Ft. Peck dam for \$984,000. The bond originating in the Thomas McGee & Sons agency, Kansas City, has as its cosureties the Central Surety; Globe Indemnity; Massachusetts Bonding; Fidelity & Deposit and Fidelity & Casualty.

Change Michigan Liquor Bonds

LANSING, MICH., Feb. 7.—Retail liquor vendors are being informed by the state liquor control commission of a reduction in bond requirements. Under the commission's new ruling bonds of \$3,000, rather than \$5,000 as in the past, will be required of taverns, restaurants, hotels, beer gardens and clubs licensed to sell beer and wine. Hotels and restaurants licensed to sell spirits by the glass must give \$5,000 bond rather than \$10,000 as at first stipulated.

Wanted

Experienced Casualty Underwriter, principally Automobile and Compensation, for Middle West territory. Permanent position for man 28-35 years. Give complete details education, experience, salary, and references. Address Y-19, The National Underwriter.

Wanted

Experienced Payroll Auditor, unmarried, between 25-30 years. Must be free to travel any territory. Give complete details, education, experience, salary and references. Address Y-20, The National Underwriter.

RECENT COURT DECISIONS

CASUALTY & SURETY

Surety Is Held Not Liable For Third Party's Injuries

The United States circuit court of appeals for the ninth circuit (Montana) has held that a citizen who is injured because of the negligence of a contractor is not entitled to recovery from the contractor's surety. The case was National Surety vs. Ulmen.

The contract bond required the contractor to take all necessary precautions for the safety of the public. Ulmen charged that the contractor did not take such precautions and as a result Ulmen, who was driving along the highway being constructed, ran into a culvert and was injured. Ulmen recovered judgment against the contractor, but execution of the judgment was returned unsatisfied.

The contract bond also stipulated that the National Surety should save the state of Montana harmless from any damages growing out of the carelessness of the contractor. The theory upon which Ulmen must rely for recovery of damages is that, although he was not a nominal party to the construction contract or the bond, both contract and bond were executed for his benefit.

The higher court held there is no direct promise to pay for personal injuries. The third person who is a stranger to a contract or a bond cannot recover from the surety even when the contract and bond contain some reference to him or to the class to which he belongs, unless there is a specific promise to pay such third person or such class.

Firms Loan Trucks to Each Other—Liability Involved

The Minnesota supreme court has affirmed judgment as to the Continental Casualty and reversed judgment as to the St. Paul Mercury Indemnity in a case growing out of the lending by the Continental's assured of a truck to the St. Paul Mercury's assured. The case was Clarno vs. Gamble-Robinson Company, et al.

The Gamble-Robinson Company lent one of its trucks to Robert Schmidt and Schmidt lent his truck to the Gamble-Robinson Company. The exchange was made because each found the other's truck more suited to its particular conditions at the time. An employee of Gamble-Robinson, driving Schmidt's truck, injured Clarno's minor child. The St. Paul Mercury was the Gamble-Robinson insurer. Both insurance companies were garnished and both held liable.

The St. Paul Mercury Indemnity covered automobiles and trucks of which the Gamble-Robinson Company is the unconditional and sole owner. There was an endorsement that the assured agreed to furnish the St. Paul's agent information as to automobiles acquired by the assured during the policy period.

The supreme court held that this endorsement applied only to automobiles to which the assured should thereafter acquire sole title by purchase or otherwise.

The Continental Casualty policy had a clause extending the coverage to "any persons while riding in or operating any of such automobiles, and any person, firm or corporation responsible for the operation thereof," providing the use is with the permission of the main assured. There is no good reason, according to the Minnesota supreme court, which would avoid liability on the part of the Continental Casualty.

Writer of Statutory Bond Is Held Not to Be Cosurety

The company which writes an auctioneer's statutory bond, and the company which writes a bond guaranteeing that the same auctioneer will deliver the proceeds of an auction sale to the owner of the property being sold, are not co-sureties, according to the New York appellate division, first department.

The Indemnity of North America wrote the bond covering the specific performance while the American Surety wrote the statutory bond. The Indemnity of North America sought to have the American Surety included as co-surety in a loss.

The court held that the test of co-suretyship is a common liability to the same party or parties for the same debt or burden. Before the doctrine of contribution can be applied, the surety must be bound for the same principal and for the same engagements, although not necessarily in the same instrument. The bonds of the Indemnity of North America and American Surety were not furnished for the same purpose; did not run to the same obligees; did not cover the same subject matter, and did not purport to guarantee against the identical acts of the principal.

Difficulty of Establishing Suicide Is Illustrated

A decision in favor of the Travelers on the issue of suicide under a personal accident policy has been reversed and the case remanded for a new trial by the United States circuit court of appeals of the 10th circuit (Oklahoma). The case was Young vs. Travelers.

The insured died as the result of a fall from a window on the seventh floor of a hotel. He was a heavy drinker and had been ill and in bed at home for three days. He started to walk downtown, went to the Mincks hotel with a pint of whisky. A bell boy took him to a room, raised the windows and poured him a big drink. A few minutes later the assured was on the sidewalk beneath the window.

The doctor testified that the assured was a typical case of periodic dipsomania and said that such people always include a suicidal tendency. The doctor assumed that while the assured was sick at home he was on a drinking spell and was continuing it after he got to the hotel. The doctor, according to the higher court, based his opinion on facts that were not proven, and assumptions of his own. It can be said that all periodical drinkers do not intend when in that condition to commit suicide. This case demonstrates the propriety and necessity of confining an expert witness to a framed interrogatory that embodies only facts that have been testified to. It was the duty of the lower court to restrain this witness.

Reinsurance Recovery Action

The United States circuit court of appeals for the second circuit (New York) has vacated summary judgment for the Consolidated Indemnity and remanded for new trial the case of Consolidated Indemnity vs. Alliance Casualty in which the question of reinsurance recovery is involved.

The reinsurance contract in question provides: "The reinsurer's proportionate share of a loss under the bond, and of cost as hereinafter defined, shall be paid to the reinsured upon proof of such loss

and costs and proof of payment thereof by the reinsured, and upon delivery to the reinsurer of copies of all the essential documents concerned with such loss and costs and the payment thereof."

The Consolidated Indemnity as reinsurer alleged in general terms that it had performed all conditions. The Alliance Casualty denied this and asserted that the Consolidated had never furnished the Alliance any proof of its alleged loss and costs, or of its payment thereof, or copies of any documents concerned with such loss, costs or payments.

This raised an issue of fact, according to the higher court, which precluded the court from granting summary judgment on the pleading.

Use of Hand Lost, of Foot Impaired; Insurer Liable

Judgment in favor of the insurer has been reversed and the case remanded by the West Virginia supreme court of appeals under a personal accident policy, where the assured made claim for benefits because of a paralytic stroke resulting in permanent loss of the entire use of his right hand and the greatly impaired use of his right foot. The policy provided for the payment of \$500 for permanent loss of the entire use of both hands, or both feet, or one hand and one foot. The case was Molnor vs. Commercial Casualty.

The higher court held that absolute helplessness is not deemed by the court to be a condition precedent to the right of an assured to recover under a total and permanent disability clause. Where the policy insures against the loss of a member, or the loss of an entire member, the word loss should be construed to mean the destruction of the usefulness of that member, for the purpose to which, in its normal condition, it is susceptible of application, in the absence of more specific definition. In the light of authorities and the rule of liberal interpretation in favor of the assured, the issue should have been decided by the jury.

Carbon Monoxide Decision

A carbon monoxide case has been decided against the Standard Accident by the United States circuit court of appeals

Holds Official Violated Duty; Surety Is Liable

The Florida supreme court has reversed the judgment of the lower court and held against the defunct Detroit Fidelity & Surety in Carlton ex rel. Okeechobee county vs. Detroit F. & S. under a public official bond.

County Commissioner Potter was the man bonded. The People's bank was designated depository for \$500,000 of county funds. That bank redeposited with the Florida National Bank and the Florida National loaned the People's Bank securities of \$300,000 to enable the People's bank to deposit with the county to secure and indemnify the county for the deposit. None of these securities were to have been returned to the Florida National until the deposit was reduced. Potter participated officially in authorizing withdrawal of securities in violation of the agreement. The People's bank failed.

The supreme court held this was a violation of an official duty for which he and the Detroit F. & M. are both liable.

for the seventh circuit (Wisconsin). The case was Standard Accident vs. Van Altena.

The assured was found dead in his garage, the engine of his car running. The garage was closed. The Standard Accident contended that a contributing cause appears in the fact that the assured had been suffering from the effects of a recent surgical operation and probably, after setting the engine in motion fainted because of physical weakness.

Evidence of his general good health immediately preceding his death, would raise that question for the jury, whether or not there was any such contributing cause. The assured probably was careless in starting the engine before the outside garage doors were opened, but such carelessness is not such a contributing cause as, within the contemplation of the policy, would defeat recovery. The jury was warranted in concluding that this gas, independently of all other causes, was the external and violent means which caused bodily injuries to the assured resulting in his death. Nothing appears in the evidence which would suggest a motivating reason for suicide.

FIRE & MARINE

Father Covered When Car Stolen By His Bandit Son

The Kansas supreme court has held that the American Alliance must pay for an automobile, which was stolen by the assured's son. The company denied liability on the ground that the son was a member of the assured's household.

Haldean Vaughn had been paroled to the assured from a penal institution. Following the expiration of the parole, the son left home and with three others stole his father's automobile.

The court held that it does not follow when grown sons leave home to make their own way in the world that they continue to be members of their parents' household, although they are privileged to return when so inclined. The son adopted a career of crime and had been paroled to his father, during which parole he was a member of his father's household, and so remained until he left his father's home and left no useful property behind. Since then he has been a vagrant and fugitive from justice.

Has Leasehold Interest as Deed Prohibits Rebuilding

The United States district court for the northern district of California in Smith vs. Royal, held that the owner of a house situated on land owned by a town, the deed to the town providing that if any existing houses should be destroyed they were not to be rebuilt, had a leasehold interest in the land and an insurable interest in the lease.

Smith took out a valued policy on his leasehold interest, the property burned and the Royal contended that there was no insurable interest.

The higher court held that the whole situation was disclosed to the Royal, which knew there was no lease with a fixed term. Smith's occupancy was that of a lessee and not of a licensee, and he is entitled to recover the full amount of the policy.

You will know what rates are charged for the various accident and health policies if you have the 900-page Time Saver. Order through The National Underwriter at \$4.



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